

PROPOSED FEDERAL AID FOR EDUCATION

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A COLLECTION OF PRO AND CON EXCERPTS  
AND A BIBLIOGRAPHY

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PREPARED AT THE REQUEST OF  
SENATOR WAYNE MORSE OF OREGON  
AND  
SENATOR BARRY GOLDWATER OF ARIZONA  
FOR THE  
SUBCOMMITTEE ON EDUCATION  
OF THE  
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## S. Res. 183

IN THE SENATE OF THE UNITED STATES,

*July 27, 1961.*

*Resolved*, That there be printed as a Senate document, together with illustrations, the committee print entitled "Proposed Federal Aid for Education", prepared by the Legislative Reference Service of the Library of Congress, and that there shall be printed ten thousand additional copies of such Senate document, which shall be for the use of the Committee on Labor and Public Welfare of the Senate.

Attest:

FELTON M. JOHNSTON,  
*Secretary.*

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## FOREWORD

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Thomas Jefferson in 1801, upon the occasion of his first inaugural address, said: "The diffusion of information, I deem [one] of the essential principles of our government and, consequently, [one] which ought to shape its administration." It is in that spirit that the following materials were brought together.

In my judgment, it is most important that those who participate through the medium of debate in the crystallization of public opinion upon this major issue of Federal aid to education should have access to a wide sampling of sources upon which to ground the positions they will take.

The publication of this material additionally serves the purposes of providing a quick reference handbook for legislators who are increasingly being called to decide upon the extent and nature of Federal economic assistance to the States in matters affecting the education of the young citizens of our Nation.

I hope that all groups will find this publication helpful for their purposes. On behalf of the members of the Committee on Labor and Public Welfare, and as chairman of the Subcommittee on Education, I wish to commend the Legislative Reference Service of the Library of Congress and, in particular, Miss Helen Miller of that Service, for impartially selecting and ably arranging the information contained in the following pages.

WAYNE MORSE,  
*Chairman, Subcommittee on Education.*



## INTRODUCTION

The following collection of excerpts relating to proposed Federal aid for education was prepared by the Education and Public Welfare Division of the Legislative Reference Service of the Library of Congress in response to numerous inquiries from Members and committees of the Congress for sources of materials on the 1961-62 high school discussion and debate topic: "What should be the role of the Federal Government in education?"

In selecting these excerpts, the aim has been to provide useful background information and to include a sampling of various points of view on the question of Federal aid to education as presented to the U.S. Congress during hearings conducted by the Senate and House committees concerned with education legislation. In view of the numerous materials available to debaters, which present a consideration of the issues concerning (1) Federal aid to nonpublic schools and (2) Federal aid to segregated schools, specific views on these issues are not presented here. A bibliography of recently published materials is included which may serve as a guide to some of the collateral issues as well as to the major discussion and debate topic. Additional references can be found in the periodical indexes and other reference guides available in most libraries.

Inclusion of a statement in this collection implies neither approval nor disapproval by the Legislative Reference Service of any opinions therein.

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# PROPOSED FEDERAL AID FOR EDUCATION

## I. FEDERAL ASSISTANCE TO ELEMENTARY AND SECONDARY SCHOOLS

### A. Arguments in Favor of Federal Aid for Public Elementary and Secondary Education

(Source: Statement of Dr. Edgar Fuller, executive secretary, Council of Chief State School Officers. In U.S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong., 1st sess., 1961, pp. 319-320.)

\* \* \* \* \*

#### GENERAL ISSUES (TITLE I)

##### *Purposes*

Title I of S. 1021 states that "it is the intent of Congress that with this assistance the quality of public elementary and secondary education will be substantially improved in all States and that inequalities of educational opportunities within and between States will be substantially reduced." This is precisely the position of the chief State school officers in regard to the financing of public elementary and secondary education throughout the country.

##### *Need*

\* \* \* For the long term, the national defense and welfare depends largely upon the best possible education of all Americans. A larger investment in education is required to do this, and Federal sharing of the additional expenditures is necessary.

At present, the States pay about 40 percent of the total cost of public education, and local school districts pay approximately 55 percent. The current Federal share is about 5 percent, which would be increased by S. 1021 to approximately 10 percent. This is a modest Federal share for the 3 critical years ahead.

The broader and more effective Federal tax system dominates the local and State tax systems, and impinges strongly on local and State tax sources. In spite of the devastating Federal competition, State and local governments have managed to increase their tax revenues much faster than the Federal Government during the past 15 years. During the same period their debt has increased at a rate approximately 39 times faster than the Federal debt. State and local funds are increasingly difficult to obtain. A more equitable allocation of responsibility for the support of public education among the three levels of government is needed.

It is sometimes asserted by persons opposed to Federal support that local, State, and Federal taxes "all come from the same place anyway." This is not so. The real estate tax to raise \$10,000 for local school purposes, for instance, may be devastating to the local marginal farmer when his share is \$100, for the reason that the property tax often tends to fall with special force on persons least able to pay. State taxes, partly regressive but usually more equitable than local real estate taxes for educational purposes, might in an average State cut this farmer's share of the \$10,000 to \$50. If the Federal Government supplies the \$10,000, his share would ordinarily be much less—perhaps \$10. Each tax system operates differently in identifying taxpayers and determining the amounts they pay.

##### *Matching and maintenance of State and local effort*

State and local matching of Federal funds as a condition precedent for receipt of Federal funds has been a fetish of those who oppose or are lukewarm to Federal support of education. Such matching requires redtape and delays

action. Sometimes it prevents use of Federal funds at all in the local districts and States that need them most. S. 1021 does not mandate such State and local matching, but is careful to provide strong incentives for maintenance of State effort through a system of financial penalties for failure to do so.

The authors of this bill know that the States and localities are already matching the Federal Government 19 to 1 on public school support. The present situation demands more reasonable Federal matching of the 95 percent paid by States and local districts, together with maintenance of State and local financial support of public education at or above present levels.

#### *Federal control*

Federal controls are fortunately lacking in S. 1021. We agree with the 1955 White House Conference on Education in opposing " \* \* any Federal control over educational use of funds in local districts," and believe the delegates of that Conference were sound in their refusal to interpret fiscal accounting by the States to the Federal Government as Federal control of education.

The respective responsibilities of the three levels of government have been appropriately outlined in S. 1021. Local school districts are required to account to the States for the Federal funds they have received. The States then account to the Federal Government for all Federal funds received by them. The Federal Government cannot control the content of what is taught in the schools under this bill, and it therefore permits no Federal control of education as such control is properly defined.

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(Source: Statement of Senator John Sherman Cooper. In U.S. Congress, Senate, Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong., 1st sess., 1961, pp. 592-595.)

#### EXPLANATION OF COOPER BILL PROVIDING A MINIMUM FOUNDATION PROGRAM FOR PUBLIC SCHOOL EDUCATION, WITH 4 YEARS OF FEDERAL ASSISTANCE TO THE STATES FOR SCHOOL CONSTRUCTION, TEACHERS' SALARIES, AND OTHER EDUCATIONAL NEEDS AS DETERMINED BY THE STATES

"Equality of opportunity lies at the basis of the entire Republic. No child can begin to have equality of opportunity unless he has in his youth, above all, effective schooling" (S. Rept. No. 425, 80th Cong.).

"The purpose of this act is to assist the States in financing a minimum foundation program of public elementary and secondary school education designed to provide more nearly equal opportunities for the Nation's children by raising the quality of such education in the States and districts in greatest need of assistance" (sec. 2, 1961 Cooper bill).

#### SHORT EXPLANATION

This bill would assist the States in equalizing educational opportunity within and among the States through Federal allotments of \$20 per public school child, with larger amounts to those States which, after making a maximum reasonable effort to provide support for schools, would still be unable to guarantee a minimum educational program.

It is designed to give fair representation to the educational needs of every State, and to make it possible for those States which cannot now provide public school education approaching the national average to do so within 4 years.

The flat grants of \$20 per pupil in average daily attendance, for each of 4 years could be used for emergency school construction, for better teachers' salaries, or to otherwise improve the quality of education in school districts in greatest need of assistance. These grants would help achieve equality of educational opportunity within the abler States.

The grants of more than \$20 per pupil, based on need, would help the low-income States bridge the gap between a fair allocation to education of their resources and the cost of adequate public school education. They would help equalize educational opportunities among the States, in the national interest.

These variable grants would go to the neediest States first, and would be used to raise the lowest levels of education first. The foundation goal would be reached in four annual steps, so that by 1965 every State could offer public school education equivalent to the present national average.

MAINTAINING STATE EFFORT

To receive an allotment, States must maintain at least their present level of public school current expenditures per child.

APPLICATIONS AND STATE PLANS

The States would submit an application to the Commissioner of Education containing a plan for use of the allotment in improving their public school education. The State plan must give priority to school systems in greatest need of assistance. The States would also submit an annual report on the use of the allotment toward accomplishing the objectives of their plans.

The plan-and-report feature should encourage development of a constructive program, and would present the State's accomplishment to public view. However, approval of the State plan would not be required as a condition of Federal assistance.

ALLOCATION FORMULA

1. The minimum foundation for each State is computed as \$400 times the number of children in average daily attendance in public elementary and secondary schools (\$325 first year, \$350 second year, \$375 third year).

2. Four percent of total annual personal income (latest 3-year average) is taken as a fair measure of the State's resources available for education.

The State's allotment—or Federal share in the minimum foundation—is: (A) One-half the amount by which the minimum foundation (1) exceeds 4 percent of State income (2); or (B) \$20 per public school child, whichever is larger.

	<i>Estimated cost</i>	<i>Million</i>
1st year.....		\$710
2d year.....		790
3d year.....		890
4th year.....		1, 000
4-year cost.....		3, 390

The 4-year program contemplates Federal assistance amounting to \$80 per public school pupil for every State, which should be of substantial aid to emergency school construction and toward better teachers' salaries. Included in \$3,390 million total above, for this part of the program: \$2,680 million.

The remaining \$720 million represents the additional cost of equalization grants to the low-income States, at \$70, \$130, \$215, and \$305 million for the 4 years. Six States would receive amounts exceeding \$20 per pupil the first year; \$11 the second year; \$15 third year, and \$18 the fourth year. These estimates assume State income per child remains stable. If it increases, as seems likely, equalization amounts needed will decrease.

NEED FOR EQUALIZATION

The best objective measure of the fiscal capacity of the States to provide any service is their total personal income, as computed annually by the Department of Commerce. The need for a national equalization plan for public school education arises from the fact that the personal income per pupil in some States—such as West Virginia, Tennessee, Alabama, North Carolina, Arkansas, South Carolina, and Mississippi—is one-third that of Delaware, New York, New Jersey, and Illinois, and in fact is only half the national average.

Even though these low-income States assign a substantially larger share of their State and local resources to education than do the more fortunate States, they cannot hope to achieve educational levels approaching the national average investment per pupil in teachers' salaries and operating expenses. For example, even if Mississippi were to raise its current expenditures for education from 3.3 percent of its income to 4 percent—a level reached by only 3 States and well above the national average of 2.8 percent—it could still afford a level of education scarcely more than half that of the national average, now about \$400 per pupil and a presently desirable goal.

Aid-to-education proposals which offer flat amounts such as \$25, \$30, or \$50 per child, or an average of \$20 per child weighted by a construction formula from \$12 in New York to \$30 in Mississippi, do not meet this basic problem. In South Carolina, for example, 4 percent of State income amounts to \$223 per child—about 55 percent of the desirable minimum State average—leaving a discouraging "education gap" of \$177 per child per year.

## EQUALIZATION PROPOSED

This bill proposes that the Federal Government contribute an amount equal to half the cost of bridging that gap—or approximately \$89 per public school pupil in South Carolina by the fourth year.

The equalization amounts for the other low-income States scale down to \$20 per pupil, according to the difference between 4 percent of their income and the goal of public school education averaging \$400 per child.

The \$400-per-child base would be reached in four annual steps. The first year it would be set at \$325—making additional funds available to the five or six lowest income States in amounts they could be expected to constructively use. The second-year base of \$350 would bring five of the next most critically needy States into the equalization program. By the fourth year, 18 States having incomes less than approximately 75 percent of national average would be receiving grants larger than the basic \$20 per child—and in direct proportion to the gap between their resources and basic educational needs.

By allocating 4 percent of their income to current educational costs, and by sharing equally with the Federal Government the remaining cost of adequate public education, these States could by 1965 assure education averaging \$400 per child—approximately the present national average.

## PRESERVATION OF STATE AND LOCAL CONTROL

Federal funds would be pooled with State education system funds, and could be used for any educational purpose for which State funds could legally and constitutionally be used.

Not only administration and control of the school systems, but determination of the financial level of education remains wholly with State and local governments under this bill. There would be no shadow of Federal control. The Federal and State responsibilities remain quite separate.

The formula used is essentially a yardstick for assigning the extent of Federal responsibility in making possible more nearly equal opportunities for all children. It avoids all Federal standards except the desirable expenditure-per-pupil goal implied by the formula itself.

This is accomplished by basing the Federal share not on what the State does spend, as in matching, but on the gap between the State's financial capacity and a standard of education measured in dollars.

The State may spend more or less than 4 percent of its income, as it is doing now. It may exceed the Federal contribution in closing the "education gap" and provide better-than-average schools. Or it may fail to match it—in which case its level of education, while improved, will continue to lag.

But the Federal assistance can provide a powerful incentive by making adequate levels of education possible in many areas for the first time. The foundation plan would say, in effect: "It is a Federal responsibility to help meet essential public-school costs which exceed a fair share of State and local resources. We will share with you the extra effort required to bring more nearly equal opportunities to every child, in the national interest."

## FORMULA JUSTIFICATION

(A) The figure of \$400 as the minimum foundation for public school current expenditures (excluding capital outlay and interest) per child in average daily attendance, is approximately the present national average. With rising educational costs, and general acknowledgement that the national effort should be increased, this seems modest enough as a goal 4 years hence.

(B) The interim foundation figures of \$325, \$350, and \$375 per child in the first, second, and third years of the program were selected as reasonable steps toward the fourth-year goal—to prevent waste, to permit planning of expanded State programs, and to encourage greater State efforts over the 4-year period. The effect is to allocate equalization funds first to the neediest States, and to raise the lowest school standards first.

(C) The figure of 4 percent of income—as a measure of the State's capacity to meet basic educational needs—sets a high standard for State effort toward better levels of public education. Only New Mexico, South Dakota, and Louisiana now devote this proportion of their income to running their schools. Seven other States—Wyoming, North Dakota, Arizona, Utah, Montana, South Carolina, and Oregon—spend 3.5 percent or more; the national average is 2.8 percent and most of the higher income States spend less than 2.5 percent. While a

low-income State would not have to spend 4 percent under the bill, it could not reach desirable levels of education even with Federal assistance without doing so.

(D) The figure of half as the Federal share. While it can be argued that Federal assistance should make up the entire difference between a reasonably large State-local effort and minimum standards, this proposal is for only half that amount, requiring still further efforts by the States to achieve education equivalent to the national average. Therefore, this plan may be considered conservative, and the minimum weighting for the lowest income States in any realistic approach to equalizing educational opportunity.

(E) The figure of \$20 per child in average daily attendance for States not in the lowest income group is similar to the amount voted by the Senate last year for school construction in needy districts and teachers' salaries, which, however, was weighted. The flat \$20-per-pupil grants in this bill do not penalize the States where educational costs per pupil and construction costs are higher, and which contribute a larger share of Federal revenues.

#### PRECEDENTS

The principles employed by this bill were recommended last year by the Committee for Economic Development in their study "Paying for Better Schools." It can be considered as combining the Taft equalization and flat-grant proposals.

This plan is analogous to the minimum foundation plans of many States, which combine equalization and flat-grant provisions and which have successfully raised levels of education within the means of the States. It is designed to give fair representation to the educational needs of every State, based on its number of students, and to contribute realistically toward equal opportunity and a minimum level of education for every child, in the national interest.

#### SHORT COMPARISON

Recent proposals which include aid for teachers' salaries have these terms, grants and estimated costs.

1961 Cooper bill: Salaries, construction and other. Four years, with continuing equalization grants. \$20 per pupil in ADA for most States; larger grants scaled to need for low-income States. First-year cost—\$700 million.

S. 8 (as passed Senate 1960): Salaries or construction. Two years. Average of \$20 per school-age child, weighted by State income from \$12 (New York) to \$30 (Mississippi). First-year cost—\$928 million.

Hovde task force, January 6, 1961: Salaries, construction or other. Continuing. \$30 per pupil in ADA; plus \$20 per pupil in States below 70 percent of national average income; plus \$20 per pupil to cities over 300,000 population. First-year cost—\$1,460 million.

Murray-Metcalf (S. 2; H.R. 22, 1959): Salaries or construction. Continuing. \$25 per school-age child first year; \$50 second year; \$75 third year; \$100 fourth and following years; (H.R. 22 as reported, \$25 for 4 years). First-year cost—\$1,126 million.

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(Source: Statement of Arthur S. Flemming, former Secretary, Health, Education, and Welfare. In U. S. Congress. House. Committee on Education and Labor. Federal aid to schools. Hearings before the General Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., 1961, pp. 622.)

\* \* \* \* \*

I do, however, want to state my conviction that whatever procedure will insure favorable and expeditious action on a program of Federal grants to public schools is the one that should be followed.

It is in light of this same conviction relative to the necessity for action in the area of Federal aid to public elementary and secondary schools that I now desire to comment on the proposals for strengthening elementary and secondary public education that have been placed before you by President Kennedy and Secretary Ribicoff.

I concur in the recommendation that Federal grants should be made to the States of approximately \$2.3 billion for their public elementary and secondary schools.

I do not concur, however, in the recommendation that the grants should be available for use by the States for both school construction and teachers' salaries.

Rather, I believe that the Federal funds should be earmarked for servicing debts<sup>1</sup> already incurred for school construction, for servicing debts that may be incurred for new construction, and for the construction of new buildings on a pay-as-you-go basis.

Here are my reasons for this recommendation:

1. It would release funds for urgent increases in teachers' pay by taking up a substantial share of the heavy burden of construction costs.

2. It would help materially in closing the gap between the existing number of classrooms and the number that will be required in the years that lie immediately ahead.

3. It would make possible the introduction of a requirement that the States must match the Federal funds that would be made available on a 50-50 basis.

This, in turn, will insure making available State funds in amounts comparable to the Federal funds thus expediting the action that must take place in the areas of teachers' salaries and classroom construction if our system of elementary and secondary education is to be strengthened.

4. It would attract the support of those citizens who are genuinely fearful of the Federal Government making grants that become a part of current operating budgets at the local school district level. Some argue that there is no basis for such fears.

The fact remains that they exist.

There are many persons who will support a school construction program, but who will not support a program that also calls for Federal grants to current operating budgets even though these grants are to be used for such a desirable objective as teachers' salaries. They believe that such grants afford too great a temptation for Federal controls.

It is difficult for me to express adequately in words my own conviction that nothing must be permitted to stand in the way of action in this area of Federal assistance to public elementary and secondary education. It is long overdue.

(Source: Statement of Carl J. Megel, president, AFL-CIO, American Federation of Teachers. In U.S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., 1961, pp. 922-923.)

\* \* \* Education can no longer be retarded by those who view with alarm; who demand that the bill include unconstitutional provisions, or who contend that State and local ox-cart school financing methods can be adapted to this space age.

There have been many authoritative estimates of the number of new classrooms needed—150,000 to 500,000. I submit to you that whichever of these estimates may be correct is beside the point. So long as groups of American boys and girls are crowded into classrooms—40 to 50 in a class—American education is not serving America or American youth.

Estimates of the shortage of qualified teachers also vary—from 100,000 to 350,000. Which of these estimates is correct is also immaterial, so long as American children anywhere lack competent instruction.

And I cannot emphasize enough the necessity of having a portion of Federal aid appropriations mandated for teachers salaries. It is foolhardy to consider aid for education only in the area of school construction, for the teacher and the pupil are the keys to education in the final analysis. Bricks without brains constitute national folly.

Certainly our States and localities must recognize the need for higher teachers' salaries and so apply a portion of the Federal allotment. Today, under State and local financing, only 21 percent of all classroom teachers are paid more than \$5,000 a year; 17 percent are paid \$3,500 or less, and 62 percent are paid from \$3,500 to \$4,999. Of necessity, this must be corrected if we are to staff our public schools with competent, qualified career teachers.

Total financing of the public schools by the States and communities is no longer possible. The property tax method is inadequate and obsolete. It no longer spreads school costs over the majority of the people, and only the Federal taxing system can do so.

<sup>1</sup> I.e., annual installments of principal and interest on bonds or other obligations issued to finance construction of public elementary or secondary schools.

The Federal Government receives 74 cents of the total of every tax dollar. A teacher who earns \$5,000 pays approximately \$874 in income tax. Yet at the present time only \$11 of that amount is spent by the Federal Government for education.

It is true that certain States such as Illinois will pay more than they will receive in return if the aid bill is enacted into law. In 1940 the assessed valuation of property in the United States was \$144 billion whereas the national income was \$81 billion. In 1956 the assessed valuation of property rose 1½ times to \$272 billion, but the national income increased 4½ times to \$343 billion.

Property taxes should therefore be supplemented so as to be relieved of the increased demands made upon it because of the enlarged and expanded school system we now must support.

Additionally, such funds from the Federal Government should not be construed to relieve State or local communities of their responsibility, but rather, increase education and not reduce taxes. Our school population is growing so rapidly that only by increasing the funds for education can we hope to maintain a satisfactory and stable educational system.

Our 40 million students now in school are in critical need of the help the bill before you would provide. School districts able to completely finance themselves in these days, in every way, simply do not exist. Our largest and wealthiest cities have the largest classroom and teacher shortages.

Federal aid for education should not be evaluated in terms of its cost, alone, but in terms of an investment that will increase the national wealth and the individual's earning ability many times over the amount of the expenditure.

Education is the basis of our national progress and prosperity. From now on, in days of world rivalry among nations, in days when man will compete to reach the stars, while communism threatens us—it is also our hope for national security.

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(Source: National Education Association. Can our States support good schools? In U.S. Congress. Senate Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong., 1st sess., 1961, pp. 53-55—First appeared in February 1961 issue of School Management.)

More money is spent on public education each year than on any other single public activity other than national defense. And, within a decade or two, spending for education may actually outstrip spending for defense.

In 1949-50, it cost \$5.8 billion to keep our elementary and secondary schools running. Last year, expenditures almost tripled to an estimated \$15.5 billion. It has been estimated by many economists and statisticians that, at the present rate of growth and expansion, the public schools will probably cost \$31 or \$32 billion each year by 1970.

Where is this extra \$15 billion to come from?

Some of it is going to come from increased revenues from present taxes. Our gross national product (the value of all goods and services produced in the United States in a single year) is increasing rapidly. At present about 3 percent of the GNP is captured for public education. Assuming that this percentage remains constant, that alone would account for almost one-half of the extra \$15 billion in 1970. What about the rest of the money needed for education?

#### PROPERTY TAXES

The greatest part of school revenue today is raised on the basis of property taxes. These taxes amounted to \$129 per person in New Jersey in 1959. In California, \$130 per person was being spent on property taxes and in Massachusetts the figure was \$133. In 1959, property taxes exceeded \$100 per capita in 15 States. For the country as a whole, property taxes now amount to almost 4 percent of personal income.

It is doubtful if these taxes can be raised much higher than they stand now without overcoming tremendous resistance.

## STATE TAXES

In recent years, the States have been carrying about 40 percent of the cost of the public schools. Can the growing variety of States taxes continue to carry two-fifths of the cost of public education?

Unfortunately, where local taxes are low State taxes are usually correspondingly high. This is not always true, but an examination of the levels of State and local taxes will reveal a large degree of inverse relationship. In 1959, State taxes in the State of Washington amounted to \$148 per capita, in Delaware \$149 and in Hawaii \$170. Even in the relatively poor State of Louisiana, State taxes amounted to \$137 per capita. In the fiscal year 1959, State taxes amounted to over \$100 per capita in 15 States. According to the Bureau of Census, the national average that year was \$91 per capita.

State taxes in 1959 amounted to \$8.64 per \$100 of personal income in Hawaii. In the States of Louisiana and Mississippi, State taxes amounted to \$8.37 and \$7.24 per \$100 of personal income. For the country as a whole, these taxes require 4.2 percent of personal income. These figures are for fiscal 1959. They have gone up since then.

## PROPERTY AND STATE TAXES

Since the support of public education is a cooperative enterprise of local and State governments, the only way to make sense out of this picture is to put all State and local taxes together and see how the overall problem looks. For example, State and local taxes combined, for the year 1959, amounted to \$265 per capita in California, \$253 in New York, and \$245 in Nevada. There are 13 States where the combined State and local taxload amounts to over \$200 per person in the population. Looking at this another way, in South Dakota, State and local taxes in 1959 amounted to \$12.28 per \$100 of personal income. There were eight other States where State and local taxes amounted to over 10 percent of personal income (see following statistics):

TABLE 1.—Total of State and local tax collections per \$100 of personal income, 1959

U.S. average.....	\$8. 49	Montana.....	\$10. 90
Alabama.....	7. 71	Nebraska.....	8. 20
Alaska.....	6. 08	Nevada.....	9. 11
Arizona.....	9. 62	New Hampshire.....	8. 28
Arkansas.....	8. 98	New Jersey.....	7. 67
California.....	9. 50	New Mexico.....	9. 09
Colorado.....	9. 99	New York.....	9. 24
Connecticut.....	7. 06	North Carolina.....	8. 16
Delaware.....	6. 45	North Dakota.....	12. 01
Florida.....	9. 04	Ohio.....	7. 09
Georgia.....	8. 42	Oklahoma.....	9. 28
Idaho.....	9. 65	Oregon.....	9. 40
Illinois.....	6. 98	Pennsylvania.....	7. 25
Indiana.....	8. 05	Rhode Island.....	8. 50
Iowa.....	9. 80	South Carolina.....	8. 37
Kansas.....	10. 68	South Dakota.....	12. 28
Kentucky.....	7. 59	Tennessee.....	8. 17
Louisiana.....	11. 24	Texas.....	7. 76
Maine.....	9. 48	Utah.....	9. 39
Maryland.....	7. 87	Vermont.....	11. 31
Massachusetts.....	9. 31	Virginia.....	6. 97
Michigan.....	8. 95	Washington.....	9. 51
Minnesota.....	10. 32	West Virginia.....	7. 83
Mississippi.....	10. 57	Wisconsin.....	9. 54
Missouri.....	6. 60	Wyoming.....	10. 10

State and local tax revenues combined, doubled between the years 1950 and 1958 and the total has gone much higher since 1958. State and local tax collections per \$100 of personal income are beginning to look more like the bite of a Federal income tax than like that of the traditional modest State and local taxes. It should be noted that some of the States putting forth the greatest tax effort at State and local levels still have the most inadequate schools in the country.

The problem of supporting education is not wealth; it is a problem of tax machinery. A property tax, in supporting our country's second largest enter-



prise, has certain weaknesses. Its growth is slow and not in proportion to productivity and wealth. There are also problems in enacting further increase in State taxes. Many Governors and legislative bodies are worried about competition for business and industry.

IS FEDERAL AID THE ANSWER?

There are certain misconceptions and misunderstandings in the great debate over Federal support of education. The first of these relates to the size of the national debt.

The national debt is high but it actually has decreased from 93 percent of the gross national product in 1949 to 62 percent in 1959. In relation to assets, the Federal debt is not nearly as large as it was 10 years ago. It has gone up only 8 to 10 percent in the past 10 years, whereas State-local debt has gone up almost 200 percent.

Another misconception relates to the "freight charge" on the Federal tax dollar. The common statement is, "Why send a tax dollar to Washington when by the time it gets back to the local government, it has shrunk to 60 cents?" Actually, the Federal tax collection machinery is by far the most efficient we have ever devised. The cost of collecting local taxes is far higher. Experts have estimated that the collection and administration of local taxes cost as much as \$10 per \$100 collected. The cost of collecting State taxes is estimated on the average in excess of \$1 per \$100. Federal taxes are collected at the rate of 44 cents for every \$100.

A third issue in the great debate involves the charge of Federal control. There have been many Federal grants in past years. Some have involved control and some have not. But the most dangerous control in existence is that exerted by poverty. The thing that really controls important decisions on education at the local level is the lack of money. Suppose a school district decides it wants a summer program in remedial reading. No one makes the decision for that district; it's entirely a matter of whether it can find the money to support such a program.

The same is true of a district that wants to add a third year of mathematics to its high school curriculum. The problem here is whether it can find a qualified teacher to employ at the going salary rate. Again, it is a matter of money.

Some people believe there is something inherently wrong with using Federal money for education. Why? Federal money is used for practically every other purpose.

Look how much Federal money already goes to the States. Over the country as a whole, Federal money flowing into the States in various types of aid equals 47 percent of the total of State tax collections. State and local governments would find it exceedingly difficult to operate without the assistance now received from the Federal Government.

Farmers, doctors, nurses, highway users, and highway builders, retired persons, the physically handicapped, veterans, widows, the unemployed—all derive some benefit from Federal money. Why not the youth of this Nation?

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(Source: Statement of National Farmers Union, Department of Education. In U.S. Congress. House. Committee on Education and Labor. Federal aid to schools. Hearings before the General Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., 1961, pp. 742-743.)

The current debate on Federal aid to education is much more than a discussion of declining educational excellence in the United States. It is an economic question, one of the utmost importance, particularly to farmers.

Farmers are very much in the middle of it. The burden of education is falling on them more every year, although every year they have less to show for it.

Education is becoming more expensive. New classrooms, new facilities, new higher paid teachers are needed. The cost of education per pupil ran all the way from a low increase of 36.2 percent to a high of 142.9 percent since 1950. The average cost increase in just 10 years was over 60 percent.

This increase in cost does not take into consideration the increase in enrollment. Enrollment in U.S. public schools has increased 18.5 percent since 1950. The Committee for Economic Development, in a conservative projection of growth in the United States, puts the enrollment increase at 29 percent for the next 10 years.

The committee estimates that school costs will rise by 47 percent during the sixties.

Who is paying the education bill today?

The question is of particular interest to farmers, particularly farmers in the agricultural and Southern States.

The property tax since the advent of the income tax has lost importance as a source of government income. Yet, due to the other costs of government, the property tax has borne a bigger share of the education burden.

Last year, 54 percent of the financial burden of supporting schools was placed on the property tax. Although many States put the property tax into a general fund and pay their education bills from that, it has been estimated that at least 70 percent of the property tax collection goes toward education. Many farm States earmark funds directly to education. Kansas and Utah, for example, turn 100 percent of the money collected through property taxes to education. In Texas, 95 percent of the property tax goes to education; 94 percent in Indiana; and over 80 percent in Montana and Wyoming.

Who pays the property tax? Farmers in farm States are paying more and more of it. Over one-third of the total property tax collected in South Dakota, North Dakota, Iowa, and Nebraska is paid on farm property and farm real estate. Farmers in Idaho, Kansas, Montana and Minnesota pay one-fifth or more of the property tax in their State. This is despite the fact that the number of farms to be taxed have been reduced in every one of these States.

The Agriculture Research Service of the U.S. Department of Agriculture reports that in 1958, State and local governments levied \$1.1 billion in tax on farm real estate, almost double the amount levied 15 years before. An additional quarter of a billion dollars was levied on farm personalty, such as automobiles, farm machinery, and livestock.

The size of farm property tax has almost doubled in 15 years although the number of farms in the United States has been almost cut in half during the same period, from 6,089,000 to 3,703,000.<sup>1</sup>

In recent years, taxes on farm property have been rising at an average rate of more than 5 percent annually. The USDA sees no letup in sight unless new sources of income are found.

Despite the fact that agriculture is asked to shoulder a growing amount of the educational burden and the rural and Southern States are putting forth a greater effort toward education than are the industrial States, these States are unable to keep the pace and the quality of their education is falling behind.

A State's educational effort is computed by taking the percentage of the educational bill in the overall expenditures of the State, divided by the number of students. The effort of the agricultural and Southern States is higher in every instance than the effort of the large industrial States.

Yet, despite the added effort, the quality of education in these States is falling further behind the standards set up by the industrial States.

The average salaries of classroom teachers in the farm States rank below the national average, and some are near the bottom. For example, North and South Dakota rank in the lowest five States with South Carolina, Arkansas, and Mississippi.

With the lower salaries comes high migration by teachers and a lower percentage of qualified teachers remaining. Only 17.4 percent of the elementary schoolteachers in South Dakota have 4 years of college education, less than one-fifth of the teachers have a basic requirement in many of the other States. Wisconsin, Montana, Iowa, Nebraska, and Minnesota rank among the lowest of the States studied as far as teachers' qualifications, ranking below all the Southern States studied.

The quality of a State's education is based largely on the qualifications of its teachers.

The above figures were taken on a statewide basis. The situation in the rural areas of the States is subject to even more serious support problems.

Rural schoolteachers average about \$1,000 less per year in salary than do city teachers. The percentage of qualified teachers in rural areas is lower, in every instance, than the number in the city. Rural schools are older, facilities are more limited, scope of courses is more limited, scholastic accreditation is more difficult, thus scholarships for advanced education are more difficult to come by in rural areas than in urban sections.

This is the educational situation today. There is no possible way for it to improve except through Federal aid. Education is a growing strain on the State budget, and the strain on local tax capability is even greater. Educational de-

<sup>1</sup> U.S. Department of Commerce and Agriculture figures.

iciencies, particularly in rural areas, are growing despite the fact State budgets are at the breaking points. The only possible way to spend more than is being spent on education now—outside of Federal aid—is by raising State and local taxes, particularly property taxes.

Were this the only consideration, it would be reason enough for the farmer to realize how important Federal aid is to him and his operation. Farm profit has nothing to do with property taxes, except to the farmer. Growing property taxes are becoming more important in the overall cost-price squeeze on the farm. It is possible that a farmer could be taxed right off the farm.

The Federal aid to education plan proposed by President Kennedy is aimed at areas where the need is greatest—in the Southern States and farm States where the current effort is greater but not enough. The Kennedy plan would add to the overall effort and bring it into better balance with the results being achieved in other States. For example, under the plan, the amount of money per student is almost double in the Southern States and agricultural States (such as North and South Dakota) as it is in the leading industrial States (such as New York, Illinois, and Pennsylvania).

The Kennedy plan would not bring schools under Federal jurisdiction. This is a weak argument by critics of the plan. The Federal grants would go to the States to do with what they want—build schools and facilities, raise teachers' salaries, etc. The Federal Government has helped support land-grant colleges and a number of other institutions and programs for a great many years, and there has been no interference from the Federal Government in the operations of these institutions and programs whatsoever.

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(Source: Statement of Abraham Ribicoff, Secretary of Health, Education, and Welfare. In U.S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong., 1st sess., 1961, pp. 92-95.)

\* \* \* \* \*

The Federal Government is now—and has long been—deeply involved in the support of education. Four years before the adoption of the Federal Constitution, in the Survey Ordinance of 1785, the National Government provided that "there shall be reserved the Lot Number 16 of every Township for the maintenance of public schools in each Township." Two years later, the Northwest Ordinance of 1787 enunciated and further emphasized the principle that education of the people must be a requirement for the continued existence of a democratic society. Later enactments continued the principle of Federal endowment for public education in new Territories and States. In the Territories, the Federal Government itself organized school systems which were turned over to the States for administration as they entered the Union.

In 1862, Congress created the great land-grant system of colleges and universities—a unique form of higher education which has contributed mightily to the growth and development of our country.

The Vocational Education Act of 1917, the so-called Smith-Hughes Act, establishing the program of Federal assistance for vocational education, was in direct response to widely expressed needs of the American people.

The GI bills, providing education for the veterans of World War II, have been a statesmanlike contribution to the education of American youth.

The National Defense Education Act of 1958 is helping our public schools to improve their programs in mathematics, science, and modern foreign languages, conceded by all to be areas of crucial national concern. The several programs of the National Science Foundation aimed to modernize and strengthen the teaching of science in the schools also represent a similar significant contribution.

#### ONE HUNDRED AND SEVENTY-FIVE YEARS OF FEDERAL AID TO EDUCATION

The Federal role has been a legitimate and accepted part of the American educational experience since the founding of the Republic. For 175 years, Federal aid to education has helped to serve the national interest.

These Federal activities have not come about by accident or to demonstrate a theory. The Congress has authorized Federal aid to meet certain specific needs, when other solutions were not deemed adequate or sufficiently timely.

These programs of Federal assistance to education have, in my judgment, been administered without evidencing one shred of Federal control. As a former Governor of a State, I have naturally been very sensitive to the question of Federal-State relationships and have been anxious to preserve the rightful responsibility of and independence of action by the States. In my 6 years as Governor of Connecticut, not once has the Federal Government exercised control directly or indirectly over education in my State. I doubt whether you will find any such interference in any of our 50 States.

#### THE ADMINISTRATION'S PROPOSALS

I have come before you today to explain and to urge you to support S. 1021 which embodies the administration's proposals to provide Federal assistance (1) for teachers' salaries, classroom construction, and special projects in our public elementary and secondary schools and (2) for maintenance and operation and classroom construction in those school districts affected by Federal activities.

It is my firm judgment that S. 1021 embodies those two great principles which have been found in our long-continued tradition of Federal support of education. These principles are recognition (1) that the Federal Government has an especial concern for programs which are in the national interest and (2) that the basic responsibility for the operation and administration of our school systems inheres in the State and local communities.

The United States is the first nation in history to establish universal public education as its goal. \* \* \* Our future requires that appropriate educational opportunities be freely available to all children and youth no matter what their background, circumstance, or place of residence.

#### RIISING ENROLLMENTS AND INCREASING COSTS

We have made substantial progress toward meeting this goal, but rising enrollments and increasing costs have placed great pressure upon the States and local school districts. During the past decade, enrollments in public elementary and secondary schools have increased from 25.7 million to 37.6 million, or 46 percent. Annual expenditures have increased during the same period from \$6.5 billion to \$16.5 billion, or 154 percent. The cost per pupil in our public education system has jumped from \$284 a year to \$496 per year—an increase of 75 percent.

While Federal tax dollars have increased 85 percent in the postwar years, State and local communities have had to increase their tax revenues by 221 percent. From 1946 to 1959, while the Federal debt increased by 6 percent, State and local debt soared by more than 300 percent. Property taxes, the traditional source of revenue for education, are in many areas rapidly approaching the limits of reasonableness.

Another problem confronting many a school district is the great mobility of our population. Each year more than 5 million people move from one State to another. Today's resident of a high income State with a better than average school system may well find tomorrow that his children must attend a less than average school in a low income State.

Moreover, the States exhibit varying degrees of ability to support education. For example, the State with the highest income enjoys almost four times the income per public school pupil found in the State with the lowest income. On the other hand, the lowest income State has almost 50 percent more children in public schools for each 1,000 population as the highest income State.

#### PROJECTION FOR THE NEXT DECADE

The next decade holds no promise of lessened impact upon our resources available for support of education. Enrollments in public elementary and secondary schools will increase from 36 million in 1959-60 to 44 million in 1968-69. These increases in enrollment will require an additional 437,000 instructional personnel and 600,000 new classrooms by the end of the 10-year period. Of more striking importance, however, is the fact that greatest pressure will be placed upon us during the next 5 years. We cannot afford, in my judgment, to permit any of our children to go even 1 year longer than necessary without adequate instructional staff and classroom facilities.

We are therefore proposing in S. 1021 a measure which is aimed to focus especially upon the problem of providing adequately for the teaching profession and for the necessary facilities for public elementary and secondary school programs, with additional emphasis upon certain special and unique problems.

ALLOCATION OF FUNDS LEFT TO STATES

We are suggesting that the States themselves be authorized to decide in what proportion they desire to utilize the proposed Federal financial assistance for teachers' salaries or for classroom construction. We believe that the States are the best judges of the degree and incidence of educational need within their borders. For example, the State which has already made substantial progress in meeting its construction needs can turn to the problem of increasing the salaries of members of its public school instructional staff. Another State which has not yet surmounted the problem of constructing adequate classrooms may, while giving early emphasis to meeting these needs, also use a share of its allotment to increase the salaries of teachers.

TEACHERS' SALARIES

In order to have professionally qualified and competent teachers throughout our public schools, we are going to have to provide salaries that are competitive with those in other occupations requiring equivalent training and experience. Inadequate salaries for instructional personnel are a primary deterrent to the recruitment and retention of highly qualified persons to staff our public elementary and secondary schools.

In order to keep from losing ground on the basis of present qualification standards, the States and local school districts will be hard pressed in face of the need for increased numbers of teachers. To raise qualification standards in a tight market personnel with high professional training—and we should raise such standards—will require substantial improvement in the level of teachers' compensation.

While the States and localities must bear the main burden of such increase, the Federal Government can and should make a substantial contribution to assist the States and local communities in meeting their goals. Moreover, we must make it possible for our public elementary and secondary schools to bring the present instructional staff up to the requisite standards as promptly as possible. The 90,000 teachers now in our classrooms who fail to meet full professional certification requirements must be assisted to meet these requirements as promptly as possible.

CLASSROOMS NEEDS

It is evident that we do not have enough classrooms to meet our needs. We should not allow a condition to continue in which several million pupils are studying under overcrowded conditions, in half-day or curtailed sessions or in substandard, obsolete, or dilapidated classrooms. The problem of meeting the need for instructional space is complicated and made more difficult by the fact that the bulge of school age population has now begun to be felt to the fullest extent in the secondary schools, thus increasing the cost of instructional facilities. The percentage of enrollment in secondary schools has increased from 27.9 in 1954 to 32.6 in 1960. The number of secondary school students reported in excess of normal classroom capacity in 1954 was 18.7 percent of the total, whereas the number so reported in 1960 was 36.8, or almost double.

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(Source: Statement of Peter T. Schoemann, vice president and chairman of the Education Committee, AFL-CIO. In U. S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong; 1st sess; 1961, pp. 390-393.)

\* \* \* from the time of the Survey Ordinance, back in 1785, it was recognized that the National Government had a proper role to play in assisting and encouraging educational effort.

The partnership of locality, State, and Nation in supporting education has continued. Even though local school problems have become national problems we nevertheless strongly favor local control, local operation, and local policy determinations for public schools. We are gratified that the American community is in nearly complete agreement on this basic premise. This general opinion removes any question of Federal control from serious contention.

The real problem facing America today, it seems to us, is whether the National Government is playing its fair part in support of education. We think it is not; we urge that it should. \* \* \*

Trade unionists can, in 1961, restate their union's traditional dedication to the public school idea—the chance for a free education for all. The means of fulfilling the goal have, however, changed. They now require a substantial Federal participation in the effort. \* \* \*

We are seriously concerned today with the status and the immediate future of public education in the United States. The challenge confronting the public schools is different and critical. Education must prepare us to solve the problems of a new age. Americans of the 1940's and 1950's helped to fight the greatest of wars, establish the United Nations, provide unprecedented aid to less fortunate peoples and fight the Communist world tyranny. These were monumental jobs. Compared to the jobs facing Americans of the 1960's and 1970's, however, these past accomplishments shrink in proportion.

Americans of the next score of years must help the many new independent nations into the family of free nations. We must work with our friends to eliminate starvation, illiteracy, mass disease, religious persecution, racial discrimination. We must control arms under law. We must resist the renewed threats to freedom from the dictatorial governments of the Soviet Union and Communist China. We must advance the space age. We must do these things at home and abroad, on earth, and in space, with the knowledge that we might not succeed, that we have no guarantee of success, but knowing that to fail is to commit mankind to extinction or to centuries of barbarism and slavery. The issues, then, could not be more grave. The stakes could not be higher.

\* \* \* \* \*

The central vehicle for advancing our way of life and rolling back the menaces of totalitarianism, ignorance, and hunger is our educational system. Where does it stand? What is its condition?

#### SCHOOL CONSTRUCTION

Pupils and teachers should have safe, well-ventilated classrooms in buildings designed to provide maximum opportunity for learning. The present situation is a national disgrace.

We in the AFL-CIO think that we can afford good schools. We believe that this marvelously productive economy, if operating near its capacity, can sustain the effort to provide all of our children with first-rate schools. If history's richest society must send its children to study the sciences and humanities in schools built before the turn of the century, then there sure is something out of kilter. If a substantial number of our children must be put on curtailed or half-day sessions to learn the humanities which reflect our fundamental value system, then we have a problem, and 685,000 pupils in 36 States and the District of Columbia do, in fact, go to school on just this basis.

We in the trade unions think that this "affluent society" should provide sufficient classroom space for our young people, yet we had 1,868,000 pupils in excess of classroom capacity when the present school year began. This was an increase of 122,000 over the year before.

The U.S. Office of Education reported that, as of last September, we had 76,000 classrooms which were unsatisfactory, and an additional 66,100 were needed to house the students in excess of the present capacity; in other words, a national shortage of 142,100 classrooms. Thus, an already critical shortage has worsened in the last year because the shortage in the fall of 1959 was 135,200. The problem is not that we fail to build. We built 69,400 new or converted classrooms last year. The fact is that we simply do not build enough.

For some years many have questioned these figures provided by the U.S. Office of Education. For our part, we have wondered if they were not too modest, too cautious to reflect the facts. However, I believe these new figures are better than those provided before. Heretofore, the national totals were based partly on State-level estimates of shortages. These latest figures, showing a shortage greater than before, are based on locally completed questionnaires. They are entitled to most careful consideration.

The problem, of course, is simply a failure to build sufficient new classrooms for the expanding school age population. Our public school enrollment went up 3.2 percent in the past year, an increase of 1.1 million of a total of 36.6 million pupils in the public elementary and secondary schools. The only answer is more classrooms; the only apparent way to get more classrooms is through substantial Federal financial aid.

TEACHERS' SALARIES

It is not certain how many teachers we lack in this country. There are various estimates. One of the more reliable seems to be an estimate by one of our affiliated unions. The American Federation of Teachers has estimated that as of September 1959 we lacked 250,000 public school teachers. But quality is even more important than quantity—in teachers. Whatever the total shortage, and it is plainly huge, one glaring fact stands out as a warning of impending peril: the legal measure of competence, the certification requirements for teaching, are not met by 24,300 high school teachers and 67,200 elementary school teachers. These 91,500 teachers—6.5 percent of our teaching forces—are on substandard certificates. These are issued on an "emergency" basis—to meet an "emergency" that stretches on, year after year.

It might be noted here that we are finding more and more opportunities for the fruitful use of American teachers overseas. It requires little imagination to see the boundless good that the free world would derive from the presence of thousands of dedicated, enlightened U.S. teachers in the newly independent communities of Asia and Africa and in the stirring nations of Latin America. But we cannot properly provide teachers for overseas missions when we lack so many here at home. Both needs must be met; they are twin aspects of the same need, the same shortage; they pinpoint with clarity another reason why this problem cannot be solved by the more than 40,000 local school districts, acting alone, without Federal assistance.

The failure of the law of supply and demand is classic in the case of teachers. Despite the patent need for teachers, local school districts have been unable even with State aid, to provide attractive salaries and conditions. Nevertheless, thousands of teachers who could earn far more in other fields, stay on in education, and thousands of new teachers join their ranks each year, but not enough.

The truth is that our teachers do not earn a full living wage. The U.S. Department of Labor's City Workers' Family Budget, updated to 1959, shows that a worker and spouse with two children require at least \$6,130 per year for a modest but adequate standard of living. Thus the teacher's average annual salary of under \$6,000 (\$4,730 in 1958), leaves him with only a subsistence wage level. He is not meeting the minimum \$118 per week required each week of the year. The way he most often makes ends meet is to spend the summer and holidays working in some routine job instead of using this period to improve his worth as an educator. Under these conditions, we cannot hope to attract an adequate number of top men and women into the teaching profession.

I would point out to the committee that the figures used here on classroom and teacher shortages are current figures, the latest we could find, and are taken mostly from Government sources. They do not involve baseless speculation, or even well-based projections. Any projection, either as to building needs at any level of the educational system, or as to teacher shortages, shows an even grimmer picture than that appearing now. The current figures, however, tell a story startling enough to demand immediate action. Further delay can be purchased only with the gravest of risks.

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(Source: Statement of Dr. Benjamin C. Willis, president-elect of the American Association of School Administrators and Superintendent of Schools, Chicago. In U.S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong., 1st sess., 1961, pp. 328-330.)

\* \* \* \* \*

NEED FOR LEGISLATION NOW

That there is an ever-present and insistent need for education in a democracy requires no comment to men such as yourselves. I think it is self-evident that you, as legislators and citizens, and we, as educators and citizens, have a deep interest and concern, that extends beyond any local areas, to the obligations of society and of the Nation to provide a quality program of education for all of the children and all of the youth in all 50 States.

If we are to meet this challenge, there is much that needs to be done. National shortages of classrooms and of qualified teachers were reported in a survey in

the fall of 1960 and are well known. Perhaps, less well known is the fact that of every 10 pupils who reach fifth grade, only 6 finish high school.

Predictions vary, but they all indicate tremendous and continuing increases in the population of the United States in the years just ahead. An economist of the Dodge Corp. estimates that within the next 40 years we will have two persons living in the United States for every one person living here now.

If this materializes, we would need an additional teacher and an additional classroom for every one we now have.

The school population, nationally, has been increasing at about 1 million annually. \* \* \*

The national increase requires 40,000 more teachers and 40,000 more classrooms a year just to maintain education at the present program level.

\* \* \* \* \*

\* \* \* We need school buildings and we need teachers; but also we need a quality program of education planned for individuals and available to all individuals. Fundamental to any quality program of education is the quality of teachers available in adequate numbers. Of this I am certain; what was quality preparation for teaching in 1930 is completely inadequate in 1960.

At the very time when the world in which we live demands an increasingly well-informed and educated teacher, we are faced with a constricted group from which to recruit. Population figures reported by age brackets show that in the sixties about 47 percent or 1 in 2 will be young people under 24 years of age and that another 41 percent will be over 45 years of age.

In the 24-45 age group there will be only 12 percent; this is the group from which the majority of our teachers come. Not only will we have an exceptionally large enrollment of children, but we will have this very small group from which to draw our teachers.

In addition, as women move increasingly into other professional areas, competition for the services of the very able will be intensified. Teachers' salaries are going to have to be related to the skills required and, also, realistically, to the small supply available, and the great demand.

#### COSTS OF PROGRAM

As we look ahead, then, it is apparent that the cost of education must continue to rise not only to provide facilities and staff for growth in population, but also to provide education for all Americans, and to provide a quality program.

It has been estimated that the present total cost of education should double by 1970. Evidence has been given to support this position in the reports of many groups, among them the Report of the White House Conference of 1956 and the Rockefeller Report on the Pursuit of Excellence.

Problems involved in paying for education today are closely related to the fact that our population has grown faster than the tax base. In the early days of our history, real property accounted for 75 percent of our wealth; today, real property accounts for only 25 percent. Local governments still rely primarily on real property for their tax base especially for schools; this has meant a serious strain in relation to real estate.

Some of our problems stem from the fact that today property tax represents such a small part of our total wealth.

That the Federal Government by sharing tax revenue with the States and localities can provide the necessary funds to aid in seeking a quality program of education to reach all Americans is evident when we look at the report on our gross national product. It was \$285 billion in 1950; it is reported as \$500 billion today. Projection figures estimate over a trillion by 1975.

There are some who have equated Federal support with Federal control. The American Association of School Administrators believes in local control; I believe in local control; history has given evidence that local control can be compatible with Federal aid. We have had Federal support of education since the beginning of the land-grant colleges; since 1917, there has been Federal support to vocational education.

In this latter case, the program is so local that funds are granted to programs within schools. Recently, millions of dollars have been paid to teachers by the Federal Government while they attended institutes sponsored by universities. The universities select the teachers and determine the course of study; the Federal Government does not. I refer to institutions both through NDEA and also through the National Science Foundation.

Senate bill 1021 is a States rights bill because the State has a choice in the utilization of funds. It is a bill in which Federal aid and local control are com-



patible. Money allocated may be spent by States and localities to meet the major need in each State and the major need within each area of the State.

The skills of people make a people strong. At no point can we forget that vocational education is the acquiring of skills, and that the opportunity or the acquiring of skills, whether they be for entrance into teaching or machine shop, or for other skills when adjustment is needed, as a result of technology, must be available to all Americans.

Because of our belief in the work and dignity of the individual; our growing population, our interdependent national economy; our expanding scientific knowledge and today's technology; because of the insistent demands of our times for improvement, for quality in the program of education and for excellence in teaching—there must be more and better teachers, and more and better equipped classrooms.

(Source: Statement of the U.S. Office of Education. In U.S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., pp. 998-999.)

There was a shortage of 142,100 public elementary and secondary school classrooms in the Nation as of the fall of 1960, according to compilation by the Office of Education based on reports from the 50 States and the District of Columbia.

This compared with 135,200 in the fall of 1959, or a difference of 6,900.

The shortage of 142,100 reported for the fall of 1960 consisted of 66,100 additional classrooms needed to accommodate pupils in excess of normal capacity and 76,000 to replace unsatisfactory facilities.

These figures clearly confirm, the Office of Education said, that the Nation is still faced with a serious problem of providing enough facilities for its public schoolchildren.

The total shortage of 132,400 classrooms reported in the 1959 fall survey was revised to 135,200 as a result of revisions received from five States.

The difference of 6,900 classrooms in the total classroom shortage reported for this year, the Office of Education said, may be due in part to the fact that changes in standards used in determining classroom needs, and improvements in data-collection procedures, occur from year to year in some of the States.

The Office of Education considers that the reporting by the States this year is on a sounder basis than ever before. In most instances, the figures supplied by the States this year were derived from answers to questionnaires completed by local school superintendents rather than on the basis of State estimates, as was more often the case in the past.

The number of pupils in excess of normal classroom capacity as of the fall of 1960 was 1,868,000, an increase of 122,000 over the revised 1959 total. Overcrowding, of course, affects not only the pupils in excess of normal capacity but also all the other pupils who share the same crowded quarters. Year-to-year changes in this category may also be due in part to changes in data collection procedures and standards.

There are about 685,000 pupils in 36 States and the District of Columbia attending school on curtailed or half-day sessions. About half this number are included in the total of 1,868,000 pupils reported as in excess of normal capacity.

The Office of Education survey showed that 69,400 classrooms were completed during the past year, approximately the same as the number completed in 1958-59, but still below the peak of 72,100 completed in 1957-58. Completions include new construction as well as classrooms converted from other uses to instructional purposes.

The survey indicates that the present rate of completions might continue through the present school year, since 69,600 classrooms were reported as scheduled for completion in 1960-61. If classrooms are completed as scheduled for 1960-61, the average number of rooms completed during the 5 years ending in the fall of 1961 will be approximately 70,000 as shown in the following tabulation:

	Classrooms completed		Classrooms completed
1956-57.....	68,700	1960-61 (scheduled for comple-	
1957-58.....	72,100	tion).....	69,600
1958-59.....	69,500	5-year average.....	69,860
1959-60.....	69,400		

The States reported that 17,800 classrooms were abandoned during 1959-60. Classrooms are abandoned often because of reorganization and consolidation of school districts as well as for obsolescence of buildings.

Meanwhile, public school enrollments increased to a record 36.3 million pupils, 24.5 million in elementary schools and 11.8 million in secondary schools. The total enrollment was 1.1 million or 3.2 percent greater than it was a year ago.

The Office of Education survey showed 1,410,000 full-time and part-time classroom teachers this fall in the Nation's public schools, 861,000 at the elementary level, and 549,000 at the secondary level. This is a gain of 55,000 or 4 percent over the 1959 total.

State departments of education reported in the survey that 67,200 elementary and 24,300 secondary full-time teachers have not met full certification standards for teaching. The total of 91,500 such teachers represents a decrease of 5,500 or 5.6 percent from the number in the fall of 1959.

The proportion of teachers with less than standard certificates was reduced from 7.2 percent of the Nation's total teaching staff a year ago to 6.5 percent currently.

Information for American Samoa, the Canal Zone, Guam, Puerto Rico, and the Virgin Islands, also reported in the survey, is not included in the national totals.

The annual national survey is based on a detailed questionnaire prepared by the Office of Education and distributed to chief State school officers each September. Most of the States, in turn, develop similar questionnaires as a basis for obtaining information from local school districts. Since variations exist in the standards used by local superintendents in determining classroom needs, the Office of Education said, the data on the classroom shortage are not necessarily comparable from State to State.

## **B. Arguments in Opposition to Federal Aid to Public Elementary and Secondary Education**

(Source: Statement of the American Farm Bureau presented by John C. Lynn, legislative director. In U.S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., 1961, pp. 1170-1175.)

\* \* \* \* \*

The financing of public elementary and secondary education is quite properly a State and local responsibility. We oppose expanded Federal aid to education because it would be a "foot in the door" toward a federally controlled system of education. It is unrealistic to contend that the mere insertion in a legislative proposal of a pious clause disavowing any intention of authorizing Federal controls would prevent Federal encroachment. The Supreme Court has ruled that the Federal Government can regulate that which it subsidizes. The greatest control available to the Federal Government is its power to allocate funds.

Federal aid to education would stymie local initiative, a very necessary ingredient to an adequate school system, and would increase overall school costs. To transfer general educational costs to the Federal Government would result in increasing Federal taxes or a boost in the current national debt, thus feeding the fires of inflation. Either of these consequences would undermine our educational system and all other aspects of our economy.

\* \* \* \* \*

Our testimony deals primarily with the proposed aid to public primary and secondary schools since our policy deals mainly with this aspect of the proposed legislation.

This program is presented as an emergency to deal with public education. We do not believe an emergency exists except in a few special areas. There is no demonstrated emergency. There is massive evidence to demonstrate that we are making real progress at the State and local level in meeting the educational needs of our Nation.

It is fallacious to conclude that more schoolrooms will be constructed by the use of the Federal dollar than we will with State and local dollars. In fact, we believe that in the long run we will get fewer schoolrooms and less increase in teachers' salaries if we go the Federal aid route for public education.

Anyone who has traveled through this Nation must be impressed by the number of schools being constructed in many, many communities. Counties and communities throughout the Nation are spending unprecedented sums for school-room construction and efforts are being made to increase teachers' salaries and to improve overall conditions. Local people understand this challenge and will meet it through local taxation, without Federal assistance and without Federal control. Federal aid could slow down this process by taking away local initiative.

Never before have our people been more alert to technological and economic progress. Never have they shown more interest in education and its essential importance.

The expansion and improvement in our educational system during the last decade through State and local responsibility are unprecedented. Over 47 million persons—more than one-fourth of the Nation—now participate in some form of full-time formal education. Ninety-eight percent of children aged 6 to 15, and almost 85 percent of those aged 16 and 17 are enrolled in school. One-third of our young people enter college; two-thirds of those who enter graduate. One and a half million high school diplomas and a half million college degrees are awarded each year. No nation can reasonably hope to approach these achievements.

Another fact which points to existing State and local initiative is the sale of new school bond issues. Sales of new issues of school bonds for public elementary and secondary schools in 1960 aggregated over \$2,183,870,000—an increase of more than 13 percent over sales of \$1,927,600,000 of such bonds in 1959. Sales of school bond issues during each of the last 4 years have been as follows:

1957-----	\$2,357,700,000	1959-----	\$1,927,600,000
1958-----	2,315,000,000	1960-----	2,183,870,000

Sales of such bonds in January 1961 aggregated over \$305 million—the largest amount of school bonds ever sold in a single month. The proceeds from the sales of these bonds are used for construction and expansion of school facilities.

At school bond elections in 1960 voters approved more than \$1,756,975,000 of additional bonds for elementary and secondary schools. This represents approval of over 81 percent, by value, of the school bonds submitted for approval at bond elections. This was the largest amount of school bonds approved at bond elections in any year and indicates the possibility of a continuing high level of sales of school bonds to provide facilities in public elementary and secondary schools. The amount approved at bond elections in 1960 would be supplemented by unused authorizations from prior years and by bonds for which voter approval was not required.

#### FACTS ABOUT THE TEACHER SHORTAGE

Low birth rates in the 1930's and the baby boom of the postwar years have caused a scarcity of persons in the age group which normally enters teaching and an overflow of children to be educated. The number of persons between 20 and 29 years for every 100 children 5 to 17 years shrank from 78 in 1950 to 25 in 1960.

Schools have been remarkably successful in attracting a larger percentage of the smaller supply of potential candidates. The percentage of college students choosing a teaching career has grown from 21 percent to 32 percent of all graduates in the past 10 years.

The civilian labor force increased only 12 percent between 1949 and 1959, but the public schools were able to expand their instructional staff by 51 percent. One of the major factors that attracted applicants to teaching jobs was an increase in public school teachers' pay of 45 percent, compared with a raise for all employed persons of only 29 percent (in constant dollars) over the 10-year period.

For some time there has been clear evidence that the teacher shortage is rapidly diminishing. Four years ago the National Education Association, in its 1956 teacher supply and demand report predicted an end to the teacher shortage—by the early 1960's.

Shortages of teachers are concentrated in a few fields like mathematics and science. Teachers trained in those fields often receive offers of better paying jobs in industry.

In the past 5 years (1954 to 1959), while the number of all college graduates prepared to teach increased 47 percent, the number of those prepared to teach science or mathematics jumped by 100 percent.

The number of pupils per teacher has been consistently reduced, from 35.6 in 1900 to 29.2 in 1930 to 26.1 in 1950 and 25 in 1959-60. The decline was 6.4 pupils per teacher between 1900 and 1930, and 4.2 pupils between 1930 and 1960.

Teachers' salaries are not uniform throughout the United States. Neither are other incomes, living standards, or other economic and social conditions. But the range in teachers' salaries has shrunk dramatically. The ratio between the highest and lowest State average was 1:5.1 in 1941-42; in 1959-60 it was 1:1.9. This is a narrower range than in per capita income.

But in 1941-42 teachers in the lowest State received about one-third of the national average pay; in 1959-60 they received about two-thirds of the national average. This is a remarkable reduction in the differential. Relative to other citizens, the teachers are generally better off in the low-income States than in high-income States.

#### FACTS ABOUT CLASSROOM CONSTRUCTION

The major responsibility for the existence of a classroom shortage is generally attributed to two factors:

(a) The slowdown (sometimes called "standstill") in school construction during the 1930's and 1940's. School building activity was low during the depression and war years; so was everything else. According to statistics of the Office of Education about 288,000 classrooms were built in the years 1929-30-1948-49 while the number of children attending public schools fell half a million. It is likely that replacement of old schools proceeded at a somewhat slower pace than if there had been no war or depression.

(b) The unprecedented influx of children between 1949-50 and 1959-60 swelled public school enrollment by 10.8 million. The presence of those children required a net addition of 370,000 classrooms. Actually, 567,000 classrooms were completed in the years 1949-50-1958-59. That left about 200,000 classrooms for the replacement of old buildings, and for the reduction of whatever shortage existed in 1950.

The classroom picture which the various conflicting and internally contradictory reports of the Office of Education present is no less confusing than the teacher shortage situation. The Commissioner of Education testified before the House Education Committee on October 8, 1954, that, at the prevailing construction rate, the classroom shortage would total 470,000 by 1959-60. The chairman of the Senate Committee on Labor and Public Welfare predicted on January 27, 1955, that the shortage, within 3 years, would climb to 600,000. But 2 months later the Secretary of Health, Education, and Welfare stated before the House Education Committee: "We find that the estimated classroom deficit by the year 1959-60 would be 176,000 classrooms rather than 407,000."

On December 23, 1959, the Secretary of HEW released at a news conference a report stating there existed a shortage of 132,400 classrooms in the school year 1959-60. Is this total more reliable than the erratic reports in earlier years? Analysis reveals that it is no better—and probably no worse—than the other shortage claims. It was arrived at by fundamentally the same process: by asking State departments of education about the size of the shortage in their respective States. Some State departments made their own estimates; others communicated with local school systems. No uniform national standards were prescribed and reliance was placed upon a local judgment of need. The replies were just as dependable as they would be to a survey of the need for automobiles which asked every man, woman, and adolescent whether he or she needed one or several new cars (with the prospect of getting them for free or at half price if the survey reported a big enough "need"). Close study of the annual classroom shortage reports of the Office of Education reveals sharp changes—amounting to thousands of classrooms—up or down in several States, from year to year.

The outlook for meeting future school building needs is excellent in view of the fact that annual enrollment increases will decline to half their present size in the course of the 1960's.

The classroom need in the coming decade was computed as follows by Louis H. Conger, Jr., Educational Statistics Branch, U.S. Office of Education.

*Illustrative projection of the number of public school classrooms needed to be built in the 10 years 1959-60 through 1968-69—48 States and District of Columbia*

Classrooms needed for increased enrollment (8.7 million pupils).....	312, 000
Classrooms needed to eliminate existing shortage (to eliminate excess enrollment and to replace unsatisfactory facilities).....	131, 600
Classrooms needed for future replacement and abandonment.....	166, 400

Total classrooms needed to be built (1959-60—1968-69)..... 610, 000

This projection places 10-year needs at 610,000 classrooms, for an annual average of 61,000.

Actual construction was reported by the Secretary of HEW on December 23, 1959, as follows:

	Classrooms		Classrooms
1955-56.....	63, 300	1958-59.....	70, 000
1956-57.....	68, 700	1959-60.....	62, 700
1957-58.....	72, 100		

The average annual construction during these 5 years was 67,360—which is 10 percent more than will be needed in the next 10 years. That means that the recent and current rate of classroom construction is ample to take care of the requirements of the public schools.

This is strong evidence of the ability and the desire of Americans to finance schools at local levels of government.

We do not believe large sums of Federal funds are the answer to our educational needs. There is no special magic in a federally appropriated dollar. Enactment of Federal aid to education in the form of assistance for school construction and teachers' salaries will actually prove to be a great disservice to our public school system. The result of intervention by the Federal Government could be to stymie initiative on the part of the local people who might get the impression that if they wait long enough the all-powerful Federal Government will assist them.

We will build more schoolrooms, pay our teachers better, and improve the education of our children if we promote local initiative and continue to finance our schools through local effort.

The public school system of this country is the envy of the world. The unprecedented progress in our public education system has been accomplished by State and local effort. Local control of our school system has made it possible for programs to be developed to fit local needs. A temporary or permanent program of Federal aid for school construction and teachers' salaries, by necessity, would involve Federal control over our public education system.

\* \* \* \* \*

The American Farm Bureau Federation views with considerable concern Federal intervention in an increasing number of fields which formerly were the responsibilities of State and local government. With the Federal debt at an alltime high, with the need to balance the Federal budget to avoid more inflation, we think that citizens throughout the Nation are becoming more and more conscious that they don't get something for nothing from Washington.

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(Source: Statement of the Investment Bankers Association of America. In U.S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., 1961, pp. 1151-1152.)

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In our view, the first and basic issue to be decided by the Congress is whether there is really any need for the proposed Federal aid. Since the primary emphasis has been placed on the need for additional classrooms, the answer to this question rests upon an informed consideration of (1) the present need for additional classrooms, (2) the growth rate in enrollment in public elementary and secondary schools which will determine the future need for additional classrooms, and (3) the efforts and ability of State and local educational agencies to finance construction of additional classrooms. As we have up-to-date pertinent factual data on these questions which we believe will be helpful to the committee, this statement is directed particularly to this issue.

*(1) Construction of classrooms for public elementary and secondary schools continues at a high level without Federal assistance*

The U.S. Department of Health, Education, and Welfare prepares annual tabulations of the number of additional classrooms reported to be needed in each State. These estimates of needed classrooms are generally accepted as the most accurate available, but it should be recognized that they represent maximum estimates of need. These estimates of classrooms needed to accommodate pupils in excess of normal capacity are inflated because they indicate needed classrooms in many cases where the classrooms are almost completed. For example, the figures for the fall of 1960 for a junior high school in Montgomery County, Md. show 2,180 students on double session in that school; but the facts reveal that a new high school scheduled for opening in September 1960 was not completed on schedule because of construction delays so that the 740 pupils scheduled to attend the new high school were put on double sessions with the 1,440 pupils in the junior high school until the new school was completed in December 1960. This situation undoubtedly occurred in many communities throughout the country with the result that the reports thus showed large numbers of students in classrooms in excess of normal capacity simply because schools which had been financed and scheduled for opening in September 1960, were not completed by the scheduled date.

The estimates of classrooms needed to replace "unsatisfactory" facilities are also suspect as maximum figures. In some States there are arbitrary standards which provide that after a school building has been in use for a specified number of years it automatically is classified as obsolete. In this connection, it might be observed that age alone does not make a classroom unsatisfactory. Many of our finest institutions of higher learning, both in this country and abroad, take great pride in classrooms that have been in use for over 100 years.

In 1955 it was estimated by the Department of Health, Education, and Welfare that about 300,000 additional classrooms were needed (and certain advocates of Federal aid then placed the estimate much higher).

In a release on January 19, 1961, the Department of Health, Education, and Welfare announced that its latest tabulation for the fall of 1960 showed a shortage of 66,100 additional classrooms needed to accommodate pupils in excess of normal capacity and 76,000 classrooms to replace unsatisfactory facilities.

This same January 1961 release by the Department of Health, Education, and Welfare reported classrooms completed during the past 4 years for public elementary and secondary schools as follows:

Year:	Classrooms completed
1956-57.....	68, 700
1957-58.....	72, 100
1958-59.....	69, 500
1959-60.....	69, 400
1960-61 (scheduled for completion).....	69, 600

Thus, over 279,700 classrooms have been completed during the last 4 years and an additional 69,600 classrooms are scheduled for completion during the 1960-61 school year, a total of over 349,300 classrooms during the 5-year 1957-61 period.

These facts serve dramatically to disprove the prophecies of the advocates of Federal aid at hearings before a subcommittee of the House Committee on Education and Labor in February 1957. One stated that "we will be very lucky if this year we build as many schools as we did last year and next year we won't build as many as we did this year unless there is assistance, stimulation, and financial incentives from the Federal Government" (pp. 128-129 of hearings on Federal Aid to States for School Construction before a Subcommittee of the House Committee on Education and Labor, 1957). Another advocate of Federal aid in 1957 stated, "And most serious, without substantial Federal aid, it is doubtful that even the present inadequate level of school construction can be maintained" (p. 226 of the same hearings). Today, 4 years later, we have an additional 279,700 classrooms without Federal aid.

In any community with a growing population it is a normal situation to need a few additional classrooms every year, and this normal level of additional classroom need—which may total thousands of classrooms when aggregated for the United States—does not indicate any "crisis" or inability to finance additional facilities. Classrooms usually are built only when they are needed, simply because taxpayers do not authorize the construction of classrooms and the required tax levy for payment of debt service until the need exists. In most communi-

ties the need for classrooms may be reaching what is considered a normal level of additional classroom need.

In short, the alleged "crisis" in need for additional classrooms for public elementary and secondary schools has been met by the construction programs which are continuing at a steady rate without Federal aid.

(2) *Rate of growth is decreasing in public elementary and secondary school enrollment*

A preliminary projection of enrollment in the public schools, included in a report on "Staffing and Constructing Public Elementary and Secondary Schools," issued by the Department of Health, Education, and Welfare, dated December 14, 1960, shows that the total enrollment in public elementary and secondary schools increased from 31,162,843 in 1955-56 to 37,196,000 in 1960-61, a total increase of 6,033,157, or an average annual increase of 1,206,631.

The projection estimates that the enrollment in 1960-61 will increase to 41,880,000 in 1965-66, an increase in the 5-year period of 4,692,000, an average annual increase of only 938,400.

The important fact from these figures is that the rate of growth in enrollment in public elementary and secondary schools during the 5-year period from 1961 to 1966 is estimated to be down 35.1 percent from the growth rate during the 5-year period immediately past. In absolute terms, the increase in enrollment in the next 5 years is estimated to be down over 22 percent from the average annual increase in enrollment during the past 5 years.

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(Source: Statement by Harley L. Lutz, Government Finance Consultant, National Association of Manufacturers. In U.S. Congress. Senate Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong., 1st sess., 1961, pp. 374-378.)

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\* \* \* The underlying thesis of NAM's approach \* \* \* is that the Federal responsibilities should be limited to the truly national tasks and that all other matters should be left to the States, their local units, or the private economy. Disregard of this basic principle has led to such a wide dispersion of the time and energy of Federal officials—the Executive, the Cabinet and the Congress—that the most efficient discharge of those duties and functions which only the Federal Government can perform has not been attained. How can it be otherwise when we consider the time that the Federal officials must devote to relatively small matters—with all the maneuvering, political negotiating, and reconciliation of divergent views which are involved in each. How can there be firm and consistent policy in the two major areas which only the central government can handle—defense and foreign affairs—when the President and his advisers must scatter their attention over a thousand and one other issues, ranging from tobacco and wheat planting to juvenile delinquency, from college curricula to waste treatment works, from below-cost housing rentals to free food stamps? The talents and capacities for competent national leadership are available. But they must be conserved for that purpose and not frittered away on so many matters that are not genuine Federal business.

Public education, at any and all levels, obviously does not come into the category of a truly national task. It is, and has always been, primarily a local responsibility. Whether the formal part of education be done in private or public schools and colleges, the American tradition has always been for local, or a combination of local-State and private responsibility in management and financing.

The advocates of Federal support of public education have sought to rely on various Federal actions, back to the Ordinance of 1785, to confirm a Federal obligation in this field. However, a review of the record shows that neither any separate action nor the entire collection of them together was motivated by a primary concern with public education as such. There were always other objectives for the realization of which education was utilized as a medium.

For example, the Ordinance of 1785 established the rectangular survey and set aside one section in each township for the support of common schools. During the first hundred years after 1785 land was the Nation's most abundant resource and the promotion of western settlement was a high priority objective. The school land grants were made as an inducement to settlers, who would be

more willing to go west and take up land if educational facilities were in prospect, to the extent that such were assured by the grants. The land grant colleges established by the Morrill Act of 1862 were required to provide certain subjects as a condition of the grants, chief among which was instruction and training in agriculture. Again, the principal objective was the improvement of farming as the main source of livelihood for the western settlers. A larger area of western lands was given to the transcontinental railroads than to the schools and colleges. In this case also, the purpose was the promotion of western settlement and national unity, not acquisition of title to railroad property.

In addition to the land grants which utilized the mechanism of education to further other objectives, the Government has made substantial payments to colleges and universities under research contracts; it has maintained professional schools to train Army, Navy, Air Force, and Coast Guard personnel; and it has defrayed the cost of schools in federally affected areas. None of these contacts with educational institutions or with the public schools can be regarded as a precedent for a general across-the-board obligation to support public education. There has been, as yet, no broad general Federal grant for public education, and there is no present need to shift the responsibility for financing and managing our system of public education from State-local to Federal jurisdiction.

2. NO CRISIS IN EDUCATION

For the past 10 years or more the advocates of Federal support of public education have been predicting disaster unless their solution were adopted. The Hovde task force report, and the President's recent message to the Congress rehearsed the old arguments—teacher supply and salaries; classroom shortage; State and local incapacity, and so on. The record has consistently refuted these forecasts as I shall presently demonstrate by samplings of available data. Teacher supply has increased, salaries have been raised, classrooms have been built. The American public school and college system has not collapsed. These results have been achieved without Federal aid. \* \* \*

*Teacher supply and salaries.*—Some pertinent data pertaining to the number of teachers and their salary situation are presented herewith:

(a) Pupil enrollment increased 1950–51 to 1960–61 by 44.4 percent, but the number of teachers rose in the same time by 51.9 percent. This made possible some reduction of the average pupil-teacher ratio.

(b) The average annual salary of the instructional staff in the public schools increased from \$3,126 in 1950–51 to \$5,389 in 1960–61, an increase of 72.4 percent. The average salary of classroom teachers rose in the same period from \$3,082 to \$5,150, an increase of 70 percent. From 1950 to 1960, average gross weekly earnings in manufacturing went up from \$59.33 to \$90.91, an increase of 53.2 percent.<sup>2</sup> It must be remembered that teacher pay is for approximately a 10-month period, while wages and salaries in industries are usually based on 49 or 50 weeks of actual work. On a comparable annual basis, teacher pay would make a still more favorable showing.

(c) The upward trend of classroom salaries is further shown by the following:

*Upward trend in classroom salaries*

Year	Percentage of salaries		
	Below \$3,500	\$3,500 to \$4,499	\$4,500 and over
1952-53.....	62.0	25	13.0
1960-61.....	9.6	27	62.8

Sources: National Education Association, "Research Report, 1960-R15," December, 1960; Economic Report of the President, January 1961, table O-25.

<sup>2</sup> Of the comparison of average annual earnings in major industries and annual salaries of public school teachers in R. Freeman, "School Needs in the Decade Ahead," 1958, p. 133.



It should be noted, further, that there are substantial differences in all income levels in different sections and that teacher salaries must be viewed in relationship to other incomes. There are also material differences in living standards and their costs. The Office of Education released a study on January 19, 1961, in which it is stated that an average salary 50 percent higher in purchasing power than that prevailing in 1958-59 would be required by 1963-64. Salary increases will no doubt be made in the future as in the past, but they must be in harmony with the general movement of incomes in particular sections. To single out teachers for an arbitrary 50-percent increase over 5 years regardless of the local income pattern would disrupt the economic stability of many communities. It would augment wage-push inflation. This distortion would retard, not advance, the cause of education.

*Classroom construction.*—The statistics relating to classroom shortage and need that have been issued by the Office of Education over the past 6 to 8 years have been so erratic as to undermine seriously the confidence that data compiled by an official agency should receive. Freeman has brought together a series of estimates made at different times which have ranged from a shortage of 600,000 rooms down to 132,400 rooms. In a 1959 report on "Enrollment, Teachers, and Schoolhousing," the Office of Education noted that its data on classroom shortage and needs should be used with caution because of varying State standards of "normal" class size and "unsatisfactory" facilities. We are thus put on notice not to take too seriously the latest estimate. It is not surprising that President Eisenhower recommended in his last budget message an increased appropriation to improve the quality of educational statistics (p. M71).

Since the end of World War II between 600,000 and 700,000 classrooms have been built. The number constructed in the 5 years 1956-60 was 336,800. The generally accepted projection of classroom needs through the 1960's is 600,000, or an annual average of some 60,000 new classrooms. This figure was used in the President's message. The average annual construction of the past 5 years, 1956-60, was 67,360. There is no evidence from the record to support the assumption that new school construction will abruptly decline so far below the level of the earlier performance as to indicate State-local inability to meet the need.

The familiar technique of "government by crisis" is in operation here, with respect both to public school and college construction. A 10-year cumulation of classroom need in one case and of college enrollment in the other is cited to imply that massive Federal action is required immediately in both areas. Actually, State and local school authorities will have 10 years to provide the needed classrooms. Likewise, the colleges and universities will have 10 years in which to get ready for the enrollment estimated by 1970.

Meantime, various factors warrant caution, especially with regard to school construction. The migration of population from central cities to suburbs, the development of new urban communities adjacent to large industrial plants, and the continual shift of people from one State to another will produce shortages of all sorts of municipal facilities in some places and surpluses in other places. These changing conditions, which are not new in our national experience, will continue indefinitely. The requirements, not only for schools but for streets, sewers, city halls, police and fire stations, and many other things, will be never-ending and ever-changing. None of them can be permanently met by Federal grants. They can and must be dealt with by the people themselves out of the resources which the growth of new communities will generate. The most demoralizing thing that could possibly happen would be misguided Federal intervention with grants, or offers of grants, to carry any part of this load.

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### 3. STATE AND LOCAL FISCAL CAPACITY

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Candid consideration of the facts would dispel the erroneous assumption of State and local fiscal incapacity. The aggregate wealth and income of the citizens of the several States is the same as the aggregate wealth and income of the citizens of the United States. This aggregate must support all government. The States have as broad taxing powers as the United States, except for the duties on imports. In fact, the States and local units have, in the property tax, a fiscal resource not practically available to the United States under the direct tax clause. With the steady growth of construction in all sections—residential,

business, public utility, and other—the base of the property tax will rise over the next decade by many billions.

Further, the States and their local units are now in much better relative financial condition than the Federal Government, and are actually better able to carry the cost of our future public educational needs. State and local debt amounts to some \$60 billion, of which at least \$17 billion was issued for school construction. The Federal debt is around \$290 billion and there is no assurance that it can be held to this level. The spending programs which are being laid before the Congress will, if enacted, lead to substantial deficits. This evidence of lack of fiscal discipline is hardly calculated to assure foreign holders of dollar balances against further dollar depreciation. State and local tax rates are moderate, as compared with the punitive growth-restricting Federal tax rates. States provide only the kinds of public services which are deemed to be necessary and genuinely beneficial to the people and avoid the benevolent paternalism that has motivated the widening Federal excursions into all manner of spending on the assumption that every matter of national interest involves a Federal obligation to spend money.

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#### 4. FEDERAL SUPPORT MEANS FEDERAL CONTROL

Federal support of education means a transfer of responsibility from the home to a bureaucracy; from Main Street to Washington. It means Federal rather than local control, a central regimentation that will eventually extend to curriculum content. Here, for example, is what President Roosevelt's Advisory Committee on Education said, in 1938, about Federal control of vocational education:

"Much of the very unwise existing Federal control over vocational education results from the fact that Federal officials have assumed the duty of determining in detail what types of education shall be considered vocational."

In other words, the Federal officials who handled the money were assuming the right to determine curriculum content.

A staff study for the Advisory Committee of 1938 outlined the pattern of developing Federal control in these words:

"Tentative suggestions have ultimately become rules, and rules have been given the effect of the organic act itself. The specificity of details required in State plans has increased. The staff of Federal supervisors has expanded. There has been developed in the States the habit of looking more and more to the Federal officials for guidance and direction in the development of State programs."

If unwise Federal intervention could not be kept out of a \$40 million program of grants for vocational education, how can we expect, or assume, that such intervention can be prevented when billions are involved?

The plain fact is that Federal control and supervision of the educational grants will be both proper and necessary, the most strenuous disclaimers to the contrary notwithstanding. The Congress and the executive authorities would be guilty of gross neglect if they were to fail in providing for inspection and supervision and, where necessary, the right to direct the use of grant funds, or to withhold them, in order to assure proper application of the money and compliance with the Federal intent. As the grants increase in amount and acquire permanence in duration, Federal control will extend more and more deeply into subject matter. \* \* \*

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(Source: Statement of Dr. K. Brantley Watson, Chamber of Commerce of the United States of America. In U.S. Congress. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong., 1st sess., 1961, pp. 338-348.)

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\* \* \* public education is and should continue to be a State and local responsibility. It is our belief that the intrusion of Federal support and consequent control into the discharge of this responsibility is unwarranted. Furthermore, it would be contradictory to the principles of our democratic processes and could well lead to a nationalized school system which is the antithesis of our American approach to education which has produced the highest educational level of any nation in history.

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\* \* \* Forcing decisions on local education from a central bureaucracy is contradictory to the practice of freedom and inconsistent with the American approach to education. Our system has advanced because it reflected diverse cultures and yet a common acceptance of responsibility by many citizens for education.

This pluralistic concept of decisionmaking identifies the unique basis of American education. It is unlike and not subject to the hazards of centralized standardization of education as practiced in Europe. History shows that such centralized systems of education become easy instruments for indoctrination which can be exploited by political demagogues.

In the chamber's view, Federal subsidies mean Federal decisions about school problems which should be left to the States or their communities to make. Proposals as comprehensive as those before this committee, especially those providing grants such as in S. 8 and in title I of S. 1021, are thus a retrogression toward centralized planning at a time when our State systems, uniquely cast in the image of maximum diversity and free enterprise, are enjoying a more rapid acceleration than at any time in our history. Never before have our people been more alert to technological and economic progress. Never have they shown more interest in education and its essential importance.

In quantitative terms, the expansion and improvement in our educational system during the last decade through State and local responsibility are unprecedented. Over 47 million persons, more than one-fourth of the Nation, now participate in full-time formal education. Ninety-nine percent of the children aged 6 to 15 and almost 85 percent of those aged 16 and 17 are enrolled in school. One-third of our young people enter college; two-thirds of those who enter graduate. One and a half million high school diplomas and a half million college degrees are awarded each year. No nation on earth ever did, does now, or has a reasonable prospect to approach these achievements.

School expansion required by the baby boom of World War II has been met effectively by State and community action. In the last decade, the number of teachers employed and the number of classrooms in use have increased faster than enrollment. While school enrollment increased by 48 percent since 1950, the total number of classrooms available increased by 60 percent. They are taught in smaller groups by better trained teachers, whose number increased by 51 percent. The certification requirements for teachers have shown a significant rise. Every State in the Union now requires a bachelor's degree or better as a qualification for teaching in high school. All but eight States require a college degree for teaching in the elementary school. In 1950, only 17 States required 4 years of college for beginning teachers.

Average annual salaries of the instructional staff rose in proportion to quality: From \$3,126 in 1950-51, they are estimated to reach \$5,389 this year, an increase of over 72 percent.

These records are only part of the phenomenal advancement this Nation has enjoyed in education—without Federal direction. The people at the local level on whom the power of decision has rested have had the wisdom to give the priority to education which it deserved. Neither should we write off these accomplishments as matters of the past because they augur for an even better future. The new record in school-bond approvals in the year 1960 is an indication that school-bond sales will continue at a high rate justifying the assumption that there will be a greater rate of classroom construction and larger outlays per pupil in the years ahead. \* \* \* Instructional staff rose to 1,455,000 in 1959-60 from 962,000 in 1949-50. In terms of increase in numbers and monthly earnings, education led all other categories of State and local government employees. Teacher-pupil ratio actually improved while student enrollment increased by 15 million. In 1949-50, each teacher taught an average of 26 pupils, but only 25 pupils in 1959-60. In secondary schools the record was even better. The teacher-pupil ratio dropped from a high of 27.2 to 1 in 1937-38 to only 22.7 to 1 in 1958-59. Expenditures per pupil are estimated at \$390 this year while in 1950-51 expenditures per pupil in average daily attendance amounted to \$224 annually.

In just 1 year (1959-60) students meeting requirements for certification to teach rose as follows:

Elementary.....	Up 1.6 percent to 52,567 in 1960.
High school.....	Up 12.4 percent to 80,465 in 1960.
Mathematics.....	Up 31.9 percent to 5,650 in 1960.
Science.....	Up 26.4 percent to 7,797 in 1960.
Foreign language.....	Up 21.1 percent to 2,200 in 1960.

In 1959-60, Americans 25 years of age and older averaged 11 years of education compared with 9.3 years in 1950 and 8.4 years in 1940. Illiteracy dropped to only 2.2 percent of the population in the last year.

These facts are conclusive proof that people can and will provide for greater quality and quantity education as the needs demand. They also show that satisfying our educational needs will be much more easily accomplished in the next decade than was the case in the fifties.

Enrollments since the bulge brought on by the baby boom of World War II were at a rate of growth approximating 5 percent while the rate of economic growth was 3 to 4 percent. The situation will reverse in the decade of the sixties wherein enrollments will drop to a rate of growth slightly above 2 percent while the rate of economic growth will at least continue at the same rate of 3 to 4 percent.

In the first instance, maintenance of school expenditure levels which existed before the enrollment growth meant that a higher percentage of national income had to be earmarked for school revenues. As indicated by the statistics just cited, levels were not only maintained, but surpassed during this period of demand through State and local taxation. In the 1960's, when economic growth will exceed enrollment growth, even continuation of the present high levels of school revenue through State and local treasuries cannot only maintain but improve standards of education.

Moreover, on the horizon are exciting dividends from the experimentation in education which the public interest has encouraged since World War II. Current innovations in the improvement of instruction, if accepted, can spread the value of a good teacher over many more students. Increased teacher efficiency through team-teaching methods, the use of educational television, refinements in guidance counseling and improved laboratory techniques in science and language instruction will afford teachers the opportunity to concentrate on their professional specialties while clerical and administrative duties are assigned to personnel qualified to assume the nonteaching responsibilities.

Trends of this nature plus the progress within the States to consolidate and reorganize small school districts into more efficient units promise to make it easier to provide education of higher qualities financed within the existing framework of resources at the community and State level.

These improvements in organization and instruction methods are the key to quality in education through more efficient use of facilities, personnel, and funds. Herein lies the futility and the dilemma of Federal action. The fundamental improvements in the efficiency and effectiveness of our schools can be achieved either through voluntary acceptance and local support, or by the compulsion of Federal directives. Advocates of Federal intervention in education believe it is too late for local freedom of action; that expert authority must be given the power to speed up the evolutionary process. While they may rationalize this resort to Federal direction on other grounds, they are in reality convinced that State and local autonomy in education is a risk we can no longer afford to take; that we must move toward a nationalized school system, standardized as to method, content and organization.

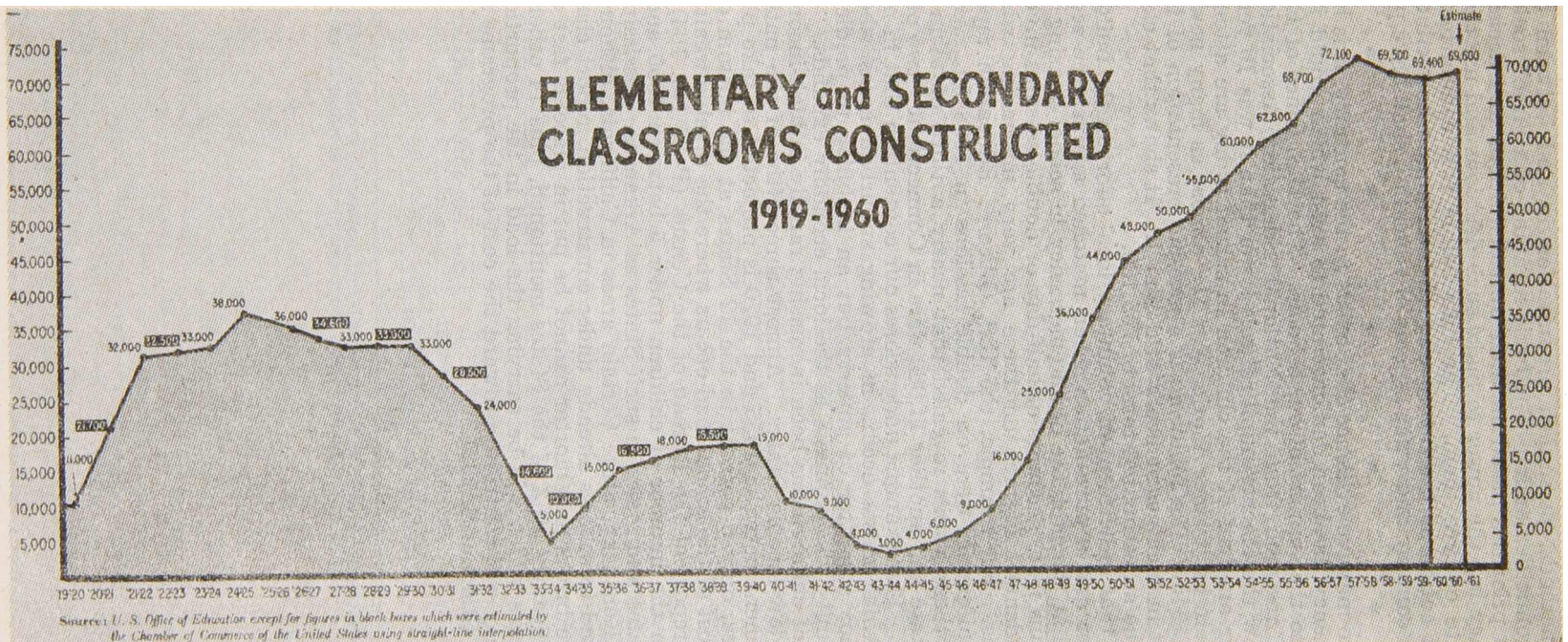
If the Congress authorizes general Federal support for all State school systems, it must understand that it is confirming this judgment of some professional educators. Such congressional action will not merely be a matter of authorizing funds for one or more of the general needs of education; it will be the beginning of the end of local responsibility based on community understanding and belief in "our local schools."

While the present Congress may deny most sincerely any intention of Federal "takeover" in education, subsequent Congresses will find that both more Federal money and more Federal direction are necessary—and the precedent and the mechanism—a Federal bureaucracy—will already exist to move on toward greater centralizing of responsibility in Washington. While this, too, will fail to resolve the many complex problems of education, the local apathy or tax-impoverishment brought on by Federal usurpation of responsibility will leave no recourse but to go on over further in Federal direction of the cause of education.

\* \* \* \* \*

State and local financing has been and will be available to provide what the people of each State believe to be the right or best approach to their different school problems. The fact that professional experts disagree, or may believe the State-local process too slow, should not becloud the issue faced by the Congress. That issue is the control, the decisionmaking about the priority in and between





construction, methods, personnel, organization in and between education and other socioeconomic demands. The basic meaning of a "free" society is that the people set such priorities based on their own definitions and decisions; and that no central agency has the power to make such decisions and use the power of the Federal purse to enforce them. The bills before this committee establish the latter course of action as the future way of determining how education is to be financed in this country and what aspects of education shall have priority.

\* \* \* \* \*

In light of the massive evidence that exists to the contrary, it is hard to believe that any emergency has been demonstrated to exist which would justify Federal intervention into the support of our schools. The U.S. Office of Education with the support of research from the National Education Association has issued figures that show the teacher-pupil ratio is lower than it was 10 years ago. It is a fact that over one-half of the children in school today are attending in classrooms which were built since World War II—almost as many new ones as were in existence in 1946. The following is a graphic presentation of the number of classrooms built in each year since World War I. It shows that classrooms built since 1946 will be an estimated total of 755,100.

This is proof that indictment of voluntary local effort in the building of schools is grossly unjust and a pure fiction when matched against the record.

We believe that the pretense of an emergency in school housing is based upon faulty conclusions from accounts of half-day or double sessions involving a small number of students. Figures on these are very misleading when presented without analysis. For example, the U.S. Office of Education reported 156,840 secondary school pupils were on double sessions in 1958-59. Analysis of the distribution of these pupils revealed that nearly a third of them were located in New York State and another 11,000 were in Connecticut—two of the so-called wealthy States. This example underscores our contention that in most instances the crowding which exists occurs in growing suburban areas where classroom shortages are not a matter of poverty but an inability to predict the rate at which a community will populate as the local economy expands.

The number of children has been increasing rapidly in high-income States and little if any in low-income States. Almost three-fifths of the national increase in school enrollment between 1955 and 1970 is projected to take place in the 12 wealthiest States, only 5 percent in the 12 States at the bottom of the income scale. Thus most of the school load occurs where the taxable wealth and income are. A recent report of the Bureau of the Census (P-25 No. 194) showed substantial gains in the number of children under 5 between 1950 and 1957 in the high-income States and losses in such States as Arkansas, Mississippi, Alabama, West Virginia, Kentucky, etc. Certain areas in California, although they have money committed to schools already under construction, report classroom shortages because the bricks and mortar cannot be put in place as fast as enrollment changes. Significantly all 3 of the States mentioned, plus 14 others, are among the wealthy States which will be carrying the load in the proportion of Federal income taxes they will contribute toward the cost of the programs such as those proposed under title I of S. 1021.

# PROPOSED FEDERAL AID FOR EDUCATION

31

*How States would fare during fiscal 1962 under the administration's proposed "School Assistance Act of 1961" for public-school construction and teachers' salaries, S. 1021-H.R. 4970 [as introduced]*

State	Federal allotment	Estimated tax payments	Net "aid" received from other States	Net "aid" paid to other States
Alabama.....	\$19,691,692	\$6,530,000	\$13,161,692	
Alaska.....	555,000	730,000		\$175,000
Arizona.....	6,260,276	3,800,000	2,460,276	
Arkansas.....	10,538,844	3,130,000	7,408,844	
California.....	52,733,321	72,990,000		20,256,679
Colorado.....	7,157,176	6,260,000	897,176	
Connecticut.....	6,600,000	14,450,000		7,850,000
Delaware.....	1,165,000	3,730,000		2,575,000
Florida.....	19,120,968	16,720,000	2,400,968	
Georgia.....	22,014,247	8,860,000	13,154,247	
Hawaii.....	3,121,256	2,000,000	1,121,256	
Idaho.....	3,760,723	1,800,000	1,960,723	
Illinois.....	23,310,000	47,750,000		24,440,000
Indiana.....	16,966,629	15,180,000	1,776,629	
Iowa.....	11,280,457	7,920,000	3,360,457	
Kansas.....	9,445,918	6,390,000	3,055,918	
Kentucky.....	14,583,887	6,990,000	7,593,887	
Louisiana.....	15,034,329	7,920,000	7,114,329	
Maine.....	4,125,926	2,660,000	1,265,926	
Maryland.....	8,976,670	12,790,000		3,813,330
Massachusetts.....	11,790,000	23,110,000		11,320,000
Michigan.....	27,070,253	29,770,000		2,699,747
Minnesota.....	13,062,937	10,720,000	2,342,937	
Mississippi.....	14,687,634	3,000,000	11,687,634	
Missouri.....	12,246,808	15,250,000		3,003,192
Montana.....	2,919,012	1,860,000	1,059,012	
Nebraska.....	5,321,259	4,200,000	1,121,259	
Nevada.....	952,274	1,400,000		447,726
New Hampshire.....	1,734,218	2,200,000		465,782
New Jersey.....	14,400,000	28,970,000		14,570,000
New Mexico.....	5,275,194	2,460,000	2,815,194	
New York.....	37,650,000	91,110,000		53,460,000
North Carolina.....	27,906,485	9,190,000	18,716,485	
North Dakota.....	3,100,067	1,270,000	1,830,067	
Ohio.....	28,735,988	38,490,000		9,754,012
Oklahoma.....	11,951,638	6,190,000	5,761,638	
Oregon.....	7,095,843	6,330,000	765,843	
Pennsylvania.....	26,880,000	46,290,000		19,410,000
Rhode Island.....	1,800,000	3,530,000		1,730,000
South Carolina.....	15,228,456	4,060,000	11,168,456	
South Dakota.....	3,262,057	1,330,000	1,932,057	
Tennessee.....	19,542,885	7,930,000	11,612,885	
Texas.....	40,262,707	28,840,000	11,422,707	
Utah.....	5,778,627	2,400,000	3,378,627	
Vermont.....	1,459,990	1,130,000	329,990	
Virginia.....	17,846,093	11,320,000	6,526,093	
Washington.....	11,408,373	10,860,000	548,373	
West Virginia.....	10,658,865	4,530,000	6,128,865	
Wisconsin.....	11,615,012	13,790,000		2,174,988
Wyoming.....	1,541,357	1,070,000	471,357	
District of Columbia, Guam, Puerto Rico, and Virgin Islands.....	16,394,549	4,600,000	11,794,549	
Total.....	666,000,000	666,000,000		

Source of data: Col. 1, Office of Education, U.S. Department of Health, Education, and Welfare. Other columns computed by Chamber of Commerce of the United States.

## PROPOSED FEDERAL AID FOR EDUCATION

*How States would fare during fiscal year 1963 under the administration's proposed "School Assistance Act of 1961" for school construction and teachers' salaries [as introduced]*

State	Federal allotment	Estimated taxpay-ments	Net "aid" received from other States	Net "aid" paid to other States
Alabama.....	\$22,683,245	\$7,510,000	\$15,073,245	-----
Alaska.....	645,000	840,000	-----	\$195,000
Arizona.....	7,619,234	4,370,000	3,249,234	-----
Arkansas.....	11,874,871	3,600,000	8,274,871	-----
California.....	64,213,909	83,950,000	-----	19,636,091
Colorado.....	8,603,311	7,200,000	1,403,311	-----
Connecticut.....	6,960,000	16,620,000	-----	9,660,000
Delaware.....	1,215,000	4,290,000	-----	3,075,000
Florida.....	23,494,752	19,230,000	4,264,752	-----
Georgia.....	23,488,608	10,190,000	15,298,608	-----
Hawaii.....	3,711,812	2,300,000	1,411,812	-----
Idaho.....	4,339,997	2,070,000	2,269,997	-----
Illinois.....	24,060,000	54,920,000	-----	30,860,000
Indiana.....	19,671,096	17,460,000	2,211,096	-----
Iowa.....	13,016,960	9,110,000	3,906,960	-----
Kansas.....	11,033,685	7,350,000	3,683,685	-----
Kentucky.....	16,636,833	8,040,000	8,596,833	-----
Louisiana.....	17,625,995	9,120,000	8,405,995	-----
Maine.....	4,750,050	3,290,000	1,460,050	-----
Maryland.....	10,773,691	14,710,000	-----	3,936,309
Massachusetts.....	12,090,000	26,580,000	-----	14,490,000
Michigan.....	32,079,528	34,240,000	-----	2,160,472
Minnesota.....	15,270,830	12,330,000	2,940,830	-----
Mississippi.....	16,255,415	3,460,000	12,805,415	-----
Missouri.....	14,064,931	17,540,000	-----	3,475,069
Montana.....	3,419,626	2,140,000	1,279,626	-----
Nebraska.....	6,129,038	4,830,000	1,299,038	-----
Nevada.....	1,174,979	1,610,000	-----	435,021
New Hampshire.....	2,035,833	2,530,000	-----	494,367
New Jersey.....	14,985,000	33,320,000	-----	18,335,000
New Mexico.....	6,263,277	2,830,000	3,433,277	-----
New York.....	38,715,000	104,790,000	-----	66,075,000
North Carolina.....	32,093,440	10,570,000	21,523,440	-----
North Dakota.....	3,558,869	1,460,000	2,098,869	-----
Ohio.....	33,879,936	44,270,000	-----	10,390,064
Oklahoma.....	13,723,715	7,120,000	6,603,715	-----
Oregon.....	8,356,592	7,280,000	1,076,592	-----
Pennsylvania.....	30,966,280	53,240,000	-----	22,253,720
Rhode Island.....	1,845,000	4,060,000	-----	2,215,000
South Carolina.....	17,537,616	4,670,000	12,867,616	-----
South Dakota.....	3,796,881	1,530,000	2,266,881	-----
Tennessee.....	22,526,242	9,110,000	13,416,242	-----
Texas.....	47,368,860	33,170,000	14,198,860	-----
Utah.....	6,725,922	2,760,000	3,965,922	-----
Vermont.....	1,638,770	1,300,000	338,770	-----
Virginia.....	20,821,009	13,020,000	7,801,009	-----
Washington.....	13,486,454	12,490,000	996,454	-----
West Virginia.....	12,110,817	5,210,000	6,900,817	-----
Wisconsin.....	13,630,448	15,860,000	-----	2,229,552
Wyoming.....	1,603,631	1,230,000	373,631	-----
District of Columbia, Guam, Puerto Rico, and Virgin Islands.....	19,306,402	5,290,000	14,016,402	-----
Total.....	766,000,000	766,000,000	-----	-----

Source of data: Col. 1, Office of Education, U.S. Department of Health, Education, and Welfare. Other columns computed by Chamber of Commerce of the United States.



*How States would fare during fiscal year 1964 under the administration's proposed "School Assistance Act of 1961" for school construction and teachers' salaries [as introduced]*

State	Federal allotment	Estimated tax payments	Net "aid" received from other States	Net "aid" paid to other States
Alabama.....	\$25,327,454	\$8,490,000	\$16,837,454	-----
Alaska.....	750,000	950,000	-----	\$200,000
Arizona.....	9,043,884	4,940,000	4,103,884	-----
Arkansas.....	13,101,790	4,070,000	9,031,790	-----
California.....	76,414,133	94,910,000	-----	18,495,867
Colorado.....	10,074,516	8,140,000	1,934,516	-----
Connecticut.....	7,305,000	18,790,000	-----	11,485,000
Delaware.....	1,290,000	4,850,000	-----	3,560,000
Florida.....	28,120,464	21,740,000	6,380,464	-----
Georgia.....	28,859,731	11,520,000	17,339,731	-----
Hawaii.....	4,285,832	2,600,000	1,685,832	-----
Idaho.....	4,872,393	2,240,000	2,632,393	-----
Illinois.....	24,780,000	62,090,000	-----	37,310,000
Indiana.....	22,817,020	19,740,000	2,577,020	-----
Iowa.....	14,680,475	10,300,000	4,380,475	-----
Kansas.....	12,613,723	8,310,000	4,303,723	-----
Kentucky.....	18,558,615	9,090,000	9,468,615	-----
Louisiana.....	19,997,176	10,300,000	9,697,176	-----
Maine.....	5,326,446	3,720,000	1,606,446	-----
Maryland.....	12,629,855	16,630,000	-----	4,000,145
Massachusetts.....	13,273,515	30,050,000	-----	16,776,485
Michigan.....	37,150,155	38,710,000	-----	1,559,845
Minnesota.....	17,445,053	13,940,000	3,505,053	-----
Mississippi.....	17,565,544	2,900,000	13,665,544	-----
Missouri.....	15,795,929	19,830,000	-----	4,034,071
Montana.....	3,920,101	2,420,000	1,500,101	-----
Nebraska.....	6,912,416	5,460,000	1,452,416	-----
Nevada.....	1,411,359	1,820,000	-----	408,641
New Hampshire.....	2,337,963	2,860,000	-----	522,037
New Jersey.....	15,555,000	37,870,000	-----	22,115,000
New Mexico.....	7,302,087	3,200,000	4,102,087	-----
New York.....	39,735,000	118,470,000	-----	78,735,000
North Carolina.....	36,142,562	11,950,000	24,192,562	-----
North Dakota.....	3,966,490	1,650,000	2,316,490	-----
Ohio.....	39,031,368	50,050,000	-----	11,018,632
Oklahoma.....	15,400,110	8,050,000	7,350,110	-----
Oregon.....	9,601,681	8,230,000	1,371,681	-----
Pennsylvania.....	34,942,097	60,190,000	-----	25,247,903
Rhode Island.....	1,974,787	4,590,000	-----	2,615,213
South Carolina.....	19,776,441	5,280,000	14,496,441	-----
South Dakota.....	4,295,246	1,730,000	2,565,246	-----
Tennessee.....	25,390,845	10,310,000	15,080,845	-----
Texas.....	54,438,623	37,800,000	16,638,623	-----
Utah.....	7,662,943	3,120,000	4,542,943	-----
Vermont.....	1,827,851	1,470,000	357,851	-----
Virginia.....	23,746,498	14,720,000	9,026,498	-----
Washington.....	15,567,293	14,120,000	1,447,293	-----
West Virginia.....	13,443,253	5,890,000	7,553,253	-----
Wisconsin.....	15,650,932	17,930,000	-----	2,279,068
Wyoming.....	2,065,380	1,390,000	675,380	-----
District of Columbia, Guam, Puerto Rico, and Virgin Islands.....	22,320,021	5,960,000	16,340,021	-----
Total.....	866,000,000	866,000,000	-----	-----

Source of data: Col. 1, Office of Education, U.S. Department of Health, Education, and Welfare. Other columns computed by Chamber of Commerce of the United States.

Circumstances such as these bear out another injustice that we believe is inherent in current proposals to subsidize schools from the Federal Treasury. Equalization formulas designed to redistribute the wealth from the richer States to the poorer States will be injuring the very States which will be experiencing the greater increases in enrollment. Consequently, as shown on previous pages, what shortage does exist is greater where the economy is growing most, rather than in the so-called poorer States—which, incidentally, are not so poor anymore. \* \* \* equalization, which was the original excuse for earlier bills proposing subsidies for education, has been largely forgotten because natural equalization of regional economies has narrowed the spread between the wealthiest and the poorest. Hence, every State can provide good schools if it uses its resources fully and efficiently.

\* \* \* \* \*

The most basic fact in discussing proposals for Federal assistance to schools is responsibility for revenue collection. At the Federal level, it is a fact that the so-called unending tax resources do have a definite terminal point. In fact, the Federal budget operated at a deficit 80 percent of the time during the last 30 years. How then can it take on the additional burden of raising money for all the health, education, and welfare functions which the States and private individuals have previously performed? There is general agreement that the present level of Federal taxation is so high as to impede the formation of risk capital and plans are being drawn to revise the rates downward. Therefore, the money must come from individuals, through their communities and States which still have many unused tax resources. For example, one-third of the States have no income tax; one-third of the States have no sales tax; and some have neither.

Constitutionally, the States and communities should and can be the source of school finance as well as school direction and control. The best possible solutions to the problems of school improvement and efficiencies in education can be worked out in the atmosphere of competitive freedom rather than in an environment of monopoly. The plurality of responsibilities between and within the States is the primary thesis of American educational philosophy. The antithesis is to be found among the advocates of central direction who openly urge us to renounce our historical convictions opposing a nationalized school system, standardized curriculums, uniform equipment, and, presumably, textbooks.

The people of the United States have proved that they are more than equal to the challenge to meet their educational needs via local and community action. Their efforts have made it possible for us to boast, proudly, that more Americans receive a better education, are taught by better teachers, and do their learning in better facilities than is possible in any nation on earth.

We conclude, then, with the contention that grant-in-aid legislation like that under consideration of this committee and especially under title I of S. 1021 is not only unnecessary, but might slow down local and State action upon which needed improvements in the quality of education actually depends.

The national chamber will continue to urge business leadership and cooperation in such State and local action to build and maintain good school systems. We are convinced that this is the only means by which people in those communities and States can have the schools which they believe proper for their children.

### C. Examples of Tax Credit and Tax Return Proposals, With Discussions

(a) Direct Federal tax return to States from the sale of certain items; (b) Federal tax credit to real property holders for aid to public schools; (c) Federal tax credit for new prospective State and local taxes imposed for school purposes

(a) (Source: Statement of Senator Norris Cotton. *In* U.S. Congress. Senate Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education, Pt. 1. 87th Cong., 1st sess., 1961. pp. 84-86.)

S. 203, if enacted, will appropriate annually to each State 2 cents of the Federal tax on each package of cigarettes sold to the consumer within the State. The money will be immediately available to the State for educational purposes only.

The proposal is simple and direct.

Let me briefly explain how it would work and outline what I believe to be its advantages.

First, no element of Federal control is involved. The funds are appropriated directly to the States, for educational use in accordance with State law. No strings are attached. No Federal restrictions are imposed. The States may use the funds for teachers' salaries, for construction, for equipment, for operation, or for whatever educational purpose it deems most desirable. The application of funds to private schools would be governed, as it should be, by State law.

Second, it would not require the creation of a large force, a bureaucracy, in Washington to administer this money. All that would be involved would be a simple compilation of statistics. I do not believe any additional employees would be needed. Each State's share of the fund would be determined upon the basis of the cigarette sales within the State, and this could be readily calculated on the basis of the State's own cigarette taxes. In the case of the handful of States which do not have cigarette taxes, the share can be based upon average per capita consumption and similar data.

Furthermore, this would end all the troublesome difficulty of devising a formula for apportioning the funds among the State. There would be no question as to whether any State was receiving less or more than its proper share.

Every cent derived from collections within a State would be returned directly into the treasury of the State. None of it would be siphoned off into administration or overhead here in Washington.

On the basis of the current Federal collections, the bill will provide more than \$450 million a year for education. At the end of my statement is a table showing the estimated distribution of funds among the States.

The selection of the tax on cigarettes for this purpose deserves a word of explanation. Its use, of course, implies no moral judgment about cigarettes, nor any medical judgment either.

It was selected because it is one tax which is easily attributable to the States in which it is collected. Nearly every State levies its own tax on cigarettes, which makes allocation of the Federal tax relatively easy. Furthermore, the existence of comparable State tax leads clearly and directly to an eventual State assumption of this tax, as well as the responsibility for education, and thus, in the long run, freeing the Federal Government from its role as a tax collector.

*Preliminary estimate of annual receipts per State if 2 cents of the Federal tax on each package of cigarettes were returned to States, as proposed by Senator Cotton's bill, S. 293*

[Receipts in millions of dollars]

State:		State—Continued	
Alabama.....	\$5. 60	Nevada.....	\$1. 10
Alaska.....	. 50	New Hampshire.....	3. 05
Arizona.....	3. 60	New Jersey.....	17. 80
Arkansas.....	3. 00	New Mexico.....	2. 00
California.....	44. 00	New York.....	50. 00
Colorado.....	4. 00	North Carolina.....	9. 50
Connecticut.....	8. 00	North Dakota.....	1. 30
Delaware.....	1. 40	Ohio.....	26. 00
Florida.....	11. 00	Oklahoma.....	6. 0
Georgia.....	8. 50	Oregon.....	4. 50
Hawaii.....	1. 10	Pennsylvania.....	23. 00
Idaho.....	1. 40	Rhode Island.....	2. 10
Illinois.....	35. 00	South Carolina.....	5. 00
Indiana.....	12. 00	South Dakota.....	1. 40
Iowa.....	6. 20	Tennessee.....	7. 70
Kansas.....	4. 70	Texas.....	22. 00
Kentucky.....	8. 40	Utah.....	1. 25
Louisiana.....	7. 20	Vermont.....	1. 10
Maine.....	2. 80	Virginia.....	8. 20
Maryland.....	8. 00	Washington.....	6. 60
Massachusetts.....	14. 10	West Virginia.....	4. 10
Michigan.....	19. 10	Wisconsin.....	9. 20
Minnesota.....	8. 30	Wyoming.....	1. 00
Mississippi.....	4. 00	District of Columbia.....	2. 50
Missouri.....	11. 90		
Montana.....	1. 60	Total.....	455. 0
Nebraska.....	3. 10		

- (b) (Source: Statement of Senator Barry Goldwater. In U.S. Congress. House. Committee on Education and Labor. Federal aid to schools. Hearings before the General Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., 1961, pp. 657-658.)

\* \* \* the proper approach is to compel the Federal Government to restore to the States and localities, at least a portion of the tax resources which it has taken away. This is precisely what my measure will do [S. 991].

The proposal is a simple one. Every homeowner, every owner of real estate in the United States pays a real property tax to his local community government.

\* \* \* It would merely provide that every taxpayer who pays a school tax on his real property or as a part of his real estate tax, shall after having calculated the amount of Federal income tax which he must pay Uncle Sam, be permitted to subtract from the Federal income tax which he owes, the full amount of such school property tax, or such proportion of it as will result in a total additional tax benefit to these taxpayers of between \$3 billion and \$4 billion.

Under existing Federal income tax law, State and local school taxes are deductible from gross income but the amount actually saved by the taxpayer depends on his Federal income tax bracket. Thus, for example, a taxpayer who has paid \$200 in school taxes as part of the local real property tax on his home, and is in the 20-percent Federal income tax bracket, realizes a saving of \$40. My proposal would retain this present practice, but in addition would permit him to take a \$100 credit against what he owed Uncle Sam, i.e., against his net Federal income tax. Hence, instead of a saving of \$40, the homeowner under my proposal would save \$140 of the \$200 he paid in school taxes on his home. Of course, if the taxpayer's school tax were less than \$100, he would be permitted to save in toto no more than the actual amount of his school tax.

This tax credit would be available to real property school taxpayers whether they itemize their Federal income tax returns or take the standard deduction.

The concrete advantages of this approach are overwhelming:

1. The tax benefits provided would go directly to approximately 40 million taxpayers, including about 34 million homeowners, who with their families constitute almost 90 percent of our population, and who, in large part, are the "Forgotten Americans" for whom, I feel, I am speaking today.

2. With the Federal Government completely excluded from the program, there would be no danger of Federal control over education. Depending on State law, each community itself, or the State, would be the final judge of how much more it would like to spend on its educational needs than it is currently spending.

3. The funds made available to the taxpayers are greater than the sums contemplated under any of the other Federal-aid to education measures which are seriously being considered; greater even than the sums recently recommended by President Kennedy's task force headed by President Hovde, of Purdue University.

4. Because of the complete exclusion of the Federal Government, there would be no expanded bureaucracy, no Federal administrative costs, and every dollar of tax money thus made available would purchase a full dollar's worth of school aid if the community decided to expand its expenditures for education.

5. Inasmuch as the tax resources of every State and locality would be substantially increased under this proposal, each would have ample funds to provide for its own school needs as it chooses, for none know better what these needs are than the citizens of the States and localities themselves.

6. The so-called richer States would not be required to help finance the school needs of the allegedly poorer States, for under my proposal every State would have sufficient funds to meet its school needs out of its own resources. Rich State A would not be required to pay to the Federal Government in taxes twice or three times as much as it gets back in Federal school aid while poor State B was receiving back in Federal aid two or three times the amount of tax money it paid to the Federal Government as its share of financing the Federal school aid program.

7. Under any of the other proposed Federal school aid measures, those States which have fully met their school needs would not, if given a free choice, expand their school facilities during the next few years, would nevertheless be compelled to pay their share in Federal taxes to finance the program. The only way these States could recover any of the money thus extracted from them under these

various proposals would be to accept the Federal grants and use them to expand their school facilities. The result would be the highly uneconomic and wasteful extension of school facilities in many areas where such extension is unnecessary and where other more urgent needs exist and must perforce remain unsatisfied. Under my proposal, the use made of their money is not dictated to the taxpayer by the bureaucrats in Washington—it is determined by the taxpayers themselves, i.e., by the parent, the citizens, the local school board, and the community, or the State.

8. Any objection to my proposal based on the assertion that it would bite into the Federal Treasury is equally applicable to any of the other measures presently under consideration. I believe that mine would lead to a good look at the Federal budget and the discovery of many items of less importance, or even of no importance, which could be readily eliminated with no ill effects on the public welfare.

9. If unemployment does not decrease and business continues to falter, my proposal will provide the necessary tax relief which some of the proponents of expanded Federal-aid programs assert to be necessary to stimulate the economy.

10. The preemption of State and local tax resources by the Federal Government would be diminished, and thus an important step would be taken in contracting big Central Government and strengthening State and local government.

I shall not at this time discuss the two other proposals in my bill—one dealing with income tax deductions for parents of college students; the other a measure designed to improve the quality of our precollege education on a purely voluntary and inspirational basis. I hope to have the opportunity to deal with them at the appropriate time.

Mr. Chairman, I want to close this presentation with a few comments about the dangers of Federal control over public education which, in my opinion, are present in all of the proposals for direct Federal grants in this traditionally, and I might add, constitutionally State and local area of public activity. As an example I point to the most recent education law enacted by the Congress, the National Defense Education Act, Public Law 85-864. Let me call your attention to some of the controls it contains:

1. With respect to the payment of Federal capital contributions, the Commissioner of the Office of Education of HEW sets the date for filing the application by the educational institution. He may re-allot excess amounts to other States, and he determines the manner in which the installments of Federal contributions will be made.

2. Participating institutions must make an agreement with the Commissioner providing for certain conditions which must be met.

3. Loans made by an institution to a student are subject to such conditions, limitations, and requirements as the Commissioner may prescribe; there are eight exceptions which the institution must abide by.

4. Each State must submit a detailed plan to the Commissioner in order to receive payments.

5. Loans made to nonprofit private schools must meet four conditions.

6. The awarding of fellowships depends on the making of certain findings by the Commissioner.

7. The right of a fellowship student to continue to receive payments is dependent upon a finding by the Commissioner that the student is making satisfactory progress in, and devoting full time to studies and research.

8. In order to be eligible for participation in the fellowship program, again the State must submit a detailed plan to the Commissioner.

9. Payments to the States under the vocational education program of the act are conditioned on the State meeting certain requirements.

10. Again, a State plan must be submitted.

11. Any person receiving funds under the act must take a loyalty oath.

12. The State plans which are a condition to receiving benefits under the act must contain certain specified provisions.

Now I agree that many, if not all, of these controls are necessary. After all the Federal Government when it spends huge sums of the taxpayers' money, must attach conditions and controls to see that the money is spent both properly and in accordance with the requirements of the law. But they are controls nevertheless and they are inescapable when the Federal Government participates in any field of activity by spending Federal funds.

But these Federal controls, necessary as they may be, inevitably lead to further Federal controls, which despite all pious protestations to the contrary, have a direct impact on the substantive content of these programs, an impact which may be directly contrary to the wishes of the beneficiaries.

To illustrate I would like to refer to the experience of Prof. Claude J. Bartlett, assistant professor of psychology at George Peabody College for Teachers, Nashville, Tenn., in which he describes the fate of two guidance and counseling institutes set up under title V of the National Defense Education Act. Professor Bartlett participated in both and was the director of one.

Professor Bartlett points out the following Federal controls and their consequences:

1. In one institute, the standards of admission for students were lowered as a result of pressure from the Federal Government. The result was the acceptance of many persons who were of questionable ability.

2. Based on the experiences in its first institute, changes in the operations of the second institute were deemed desirable. Nevertheless the Office of Education refused to permit changes in the plan of operation even though the changes did not affect the cost of the institute as specified in the contract. Thus, the Federal Government dictated curriculum and administration of the institute as well as financial arrangements.

3. When the contract setting up the institute was signed, the director of the college's child study center was named acting director of the institute. When the college sought to substitute a permanent director to permit the acting director to return to his regular duties elsewhere, the Federal Government refused to allow the change in directorship thus interfering with the operation of the college.

4. The Office of Education insisted that all of the students of the second institute be recruited before authorization for establishing it had even been completed.

As a result of these difficulties, the college chose to cancel the contract for the institute rather than submit to bureaucratic whims emanating from Washington.

But, Mr. Chairman, the most significant element of control in the administration and like bills is the destruction of freedom of choice. Unlike my proposal which preserves this freedom for the citizens in each State and locality, these bills give them no choice at all. They must pay in taxes for public services, but their choice of services is limited to education. They cannot decide to pave their streets, improve their fire or police departments, expand their medical facilities, if this is what they believe their State or locality needs to do most urgently. Their choice, if such it can be called, is education or nothing and within these limits, whatever they decide they still must pay.

\* \* \* \* \*

- (c) (Source: Statement of Representative Richard H. Poff of Virginia. In U.S. Congress. House. Committee on Education and Labor. Federal aid to schools. Hearings before the General Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., 1961, p. 813.)

\* \* \* \* \*

Summarized briefly, H.R. 530 would authorize a credit (as distinguished from a deduction) against the Federal income tax for new prospective State and local taxes imposed for school purposes. Stated differently, a Federal taxpayer would be authorized to subtract from his total Federal income tax liability any new school tax imposed by any State or local government after the effective date of the bill. In order to qualify for the credit, the new State or local tax statute would have to earmark all of the revenue for school construction, maintenance or operation of schools or the servicing of debts incurred for these purposes. As used in my bill, the words "maintenance" and "operation" are not limited in their scope to the narrow accounting or budgetary definition, but extend to all expenses incidental to the functioning of a school system, including the cost of educational supplies and teachers' salaries.

In order to avoid duplication, the bill specifically provides that no income tax deduction will be allowed for any amount of State or local taxes allowable as a credit under this bill.

The bill further provides that no credit will be allowed for any new State or local tax which replaces, in whole or in part, any tax in effect at the time the bill becomes law. This clause illustrates the primary purpose of the bill, viz, to stimulate State and local action to provide tax revenue for school purposes above and beyond the current effort.

I readily recognize some of the infirmities of my bill and acknowledge the need for technical refinement. In that connection, I will attempt to anticipate some of the criticisms and some of the mechanical and procedural difficulties which this approach might entail.

1. The constitutions of some States prohibit earmarking of tax revenue for specific purposes. Some impose public debt limitations and some States have already exhausted their borrowing authority. Some State constitutions impose ceilings on tax rates on certain tax sources. In all such States, it would be impossible to take advantage of the tax credit envisioned in my bill without constitutional amendments and/or statutory modifications. In such States, the people, acting through their legislatures or through constitutional conventions, would have to decide whether the inducements offered by this legislation and the educational needs of their States were such as to justify enabling legislation or amendment of their constitutions. They would not be compelled to comply, but the incentive to comply would be great.

2. It will be argued that this approach discriminates against the citizen who does not earn enough to incur a Federal tax liability and accordingly could not take advantage of a credit to offset the burden imposed upon him by the new State or local tax. In answer to that argument, I must emphasize that my bill leaves solely within the discretion of State and local authorities, first, the imposition or nonimposition of a new school tax; second the amount of such tax; and third, the nature of such a tax. In other words, if the State or locality decided that a new tax should be imposed, it would then decide how much the tax would be and upon whom or what it would be imposed.

Taxes eligible for the Federal credit necessarily would have to be taxes for which records of payments could be easily ascertained and documented. Obviously, this would exclude a sales tax but, in the discretion of the State or locality, might include a capitation tax, an income tax, a tax on the parents of school-age children or a property tax. In order to avoid an unfair burden on citizens who earn too little to pay a Federal income tax, the State or locality might decide that a surtax on the State income tax would be the most equitable. Ordinarily, those who earn enough to be liable for State income taxes earn enough to be liable for Federal income taxes. Other States may decide that a new tax on real property or personal property or other liquid assets would be more equitable. In any event, the State or locality would make the decision and it is reasonable to assume that they would select the tax which would work the greatest measure of justice for the greatest number of taxpayers.

3. The argument will also be made that the tax credit plan offers no equalization formula and would benefit rich States more than poor States. If the philosophy that taxpayers in rich States owe an obligation to help educate the children of taxpayers in poor States is valid, then there is no answer to that argument. On the other hand, if the philosophy that education is both a local right and a local responsibility is valid, then the answer to that argument is apparent. In any event, all of the States, rich or poor, can make the program as big or as little as they deem wise with the assurance that the total Federal-State-local tax liability on their citizens would not be one dollar higher than it is today.

It is, of course, impossible to estimate accurately the revenue-loss impact upon the Federal Treasury, because it is impossible to predict how many States would decide to participate or the extent to which each would participate.

However, I will attempt to do so, using my own State of Virginia as an example. By the close of the 1960-61 school year, Virginia and its localities will have spent from its own resources (i.e., exclusive of Federal aid to impacted areas) approximately \$247 million on current expenditures and construction for public elementary and secondary schools. If we assume that, under the stimulus of H.R. 530, Virginia would attempt to increase its total educational effort by 10 percent it would be necessary for her to increase her tax revenue by \$25 million a year. That increase would be offset, at no additional tax burden to Virginia citizens, by a \$25 million credit against the total Federal income tax liability of Virginia's taxpayers. Stated differently, the revenue loss to the Federal Treasury would be \$25 million. If we assume further that all of the States and localities in the Nation would increase their educational programs by 10 percent, the potential annual Federal revenue loss would be approximately \$1.5 billion.

However, with respect to the national estimate, it must be remembered that, under present internal revenue laws there would be an additional revenue loss to the Federal Government on account of the imposition of any new State or local school taxes, even without the adoption of the tax credit plan. Present internal revenue laws authorize deductions for such State and local taxes. The amount of revenue loss depends upon the marginal tax rate of Federal income-taxpayers who itemize their deductions; that is, the higher the tax bracket, the higher the revenue loss to the Federal Government. If we assume an average marginal Federal income tax rate of 30 percent, then additional State and local taxes yielding revenues of \$1.5 billion could cost the Government \$450 million in revenue loss, even in the absence of the tax credit plan. Needless to say, on an annual basis the new taxes would be smaller, the tax credit less and the revenue loss smaller if the States decided to finance school construction with bonds rather than current revenue.

In summary, let me itemize what I conceive to be the principal virtues of the tax credit plan.

1. **Simplicity:** Not a single additional Federal employee would have to be hired to administer the program.

2. **Independence:** The Federal Government would have no control whatever over either substantive or procedural educational policies. The individual States and localities would decide how much tax would be imposed and how every revenue dollar would be spent for school purposes.

3. **Flexibility:** Each local school district would receive additional school revenue suited to its particular needs as distinguished from the needs of another district in another State.

4. **Economy:** The total cost of educational assistance to the Federal Treasury (measured in revenue lost on the tax credits) would be a realistic minimum. Obviously, no State would impose a tax higher than necessary for vital school needs. Moreover, this plan would contain none of the customary costs of administration incidental to Federal programs.

5. **Local incentive:** State and local taxing authorities would be able to "sell" the new school tax to the people, because there would be no net increase in the taxpayer's total annual tax liability. Whatever he pays under the new local school tax he would be able to recapture as a credit when he pays his Federal income tax.

6. **No religious controversy:** It seems to me that at the Federal level the tax credit plan would effectively neutralize the current controversy concerning educational aid for private and parochial schools. Under the tax credit plan, the Federal Government has no policymaking powers. Like other policy decisions, the decision concerning aid or no aid to nonpublic schools would rest with the individual States in the same manner and to the same degree that it rests there today. At the Federal level, the principle of separation of church and state would not be involved, and the Congress would not be required to differentiate between grants and loans or between secondary schools and colleges. So far as the Federal Government is concerned, the entire question in all of its ramifications and complexities would be moot.

Another consideration is of prime importance. In Federal grant-in-aid programs, whether educational or otherwise, the individual taxpayer (whose tax payments are mingled with taxes paid by his fellow citizens throughout the United States) loses sight of the many courses his tax dollar follows after it leaves Uncle Sam's hands. He has no personal identification with the ultimate achievement of the program. However, when a taxpayer pays a State or local school tax, he recognizes his own personal tax dollar in the brick and mortar of the new school building erected in his community. From that he takes a certain intangible pride in the physical plant and in the cause which it symbolizes. To him it is a concrete object lesson in government by the people which he can see and understand. Since, in a democracy, all strength and all resources originate with the people, we must, if we expect to meet the national education crisis effectively and on a continuing basis, go to the people at the local level and inspire in them the spirit of self-help and the pride of personal achievement.



## D. Statistical Information

(Source: Table inserted by Dr. Sam M. Lambert, National Education Association, In U.S. Senate. Committee on Labor and Public Welfare. Public School Assistance Act of 1961. Hearings before the Subcommittee on Education. Pt. 1. 87th Cong., 1st sess., 1961, p. 274.)

*Total expenditures per pupil in average daily attendance, 1949-50 and 1959-60, in current and constant prices*

State	Total expenditures per pupil in average daily attendance			Percent of change	
	1949-50 in current prices	1949-50 in constant prices of 1959-60	1959-60 in current prices	In current prices	In constant prices
(1)	(2)	(3)	(4)	(5)	(6)
50 States and District of Columbia.....	\$260.30	\$384.50	\$476.40	83.0	23.9
Alabama.....	132.80	196.10	244.10	83.8	24.5
Alaska.....	372.80	550.60	676.60	81.5	22.9
Arizona.....	327.00	483.00	621.30	59.4	7.9
Arkansas.....	153.10	226.10	264.60	72.8	17.0
California.....	383.80	556.90	659.90	71.9	16.4
Colorado.....	295.80	436.90	500.00	69.0	14.4
Connecticut.....	340.40	502.80	515.00	51.3	2.4
Delaware.....	318.50	470.40	625.30	96.3	32.9
District of Columbia.....	326.60	482.40	474.10	45.2	-1.7
Florida.....	228.90	338.10	394.10	72.2	16.6
Georgia.....	143.30	211.70	252.10	75.9	19.1
Hawaii.....	226.20	334.10	391.30	73.0	17.1
Idaho.....	236.60	349.50	353.90	49.6	1.3
Illinois.....	347.10	512.70	569.80	64.2	11.1
Indiana.....	268.60	396.70	434.00	61.6	9.4
Iowa.....	273.10	403.40	466.20	70.7	15.6
Kansas.....	240.50	355.20	489.80	103.7	37.9
Kentucky.....	183.30	196.90	256.30	92.3	30.2
Louisiana.....	267.80	395.50	478.70	78.8	21.0
Maine.....	173.10	255.70	339.60	96.2	32.8
Maryland.....	311.60	460.20	528.50	69.6	14.8
Massachusetts.....	258.60	382.00	484.70	87.4	26.9
Michigan.....	278.10	410.80	538.10	93.5	31.0
Minnesota.....	272.30	402.20	531.70	95.3	32.2
Mississippi.....	86.40	127.60	289.60	235.2	127.0
Missouri.....	201.50	297.60	416.40	106.7	39.9
Montana.....	327.80	484.20	485.20	48.0	0.2
Nebraska.....	231.30	341.60	392.30	69.6	14.8
Nevada.....	360.30	517.40	591.70	68.9	14.4
New Hampshire.....	254.40	375.70	426.60	67.7	13.5
New Jersey.....	339.70	501.70	635.10	87.0	26.6
New Mexico.....	276.90	409.00	443.40	60.1	8.4
New York.....	359.20	530.50	726.00	102.1	36.9
North Carolina.....	189.60	280.00	284.60	50.1	1.6
North Dakota.....	241.80	357.10	412.80	70.7	15.6
Ohio.....	262.20	387.30	483.50	84.4	24.8
Oklahoma.....	222.40	328.50	378.00	70.0	15.1
Oregon.....	407.50	601.90	636.30	31.6	-10.9
Pennsylvania.....	247.20	365.10	421.00	70.3	15.3
Rhode Island.....	255.80	377.80	451.70	70.6	19.6
South Carolina.....	142.40	210.30	247.10	73.5	17.5
South Dakota.....	255.40	377.20	402.60	57.0	5.7
Tennessee.....	179.10	264.50	269.40	50.4	1.9
Texas.....	261.90	386.80	423.80	61.8	9.6
Utah.....	236.90	349.90	462.00	95.0	32.0
Vermont.....	206.20	304.60	377.20	82.9	23.8
Virginia.....	186.60	275.60	350.90	91.3	29.5
Washington.....	316.00	466.70	552.90	75.0	18.5
West Virginia.....	174.60	257.90	276.10	58.1	7.1
Wisconsin.....	269.90	398.60	546.30	102.4	37.1
Wyoming.....	300.80	444.30	583.20	93.9	31.3

Sources and notes: Figures for 1949-50 (col. 2) computed from U.S. Department of Health, Education, and Welfare, Office of Education, "Statistics of State School Systems, 1949-50," Biennial Survey of Education in the United States, 1948-50. Washington, D.C.: Superintendent of Documents, Government Printing Office, 1952. Ch. 2, pp. 54 and 86.

Col. 3 is based on col. 2; figures are adjusted for price changes as reported by the Department of Commerce, Office of Business Economics, for the State and local government segment of the gross national product.

Col. 4 is from National Education Association, Research Division, "Estimates of School Statistics, 1960-61," research report 1960-R15. Washington, D.C.: the association, December 1960, pp. 20 and 30.

Cols. 5 and 6 computed by the NEA Research Division.

(Source: U.S. Department of the Army. Office of the Surgeon General. Pre-induction and induction examination results, 1959. Health of the Army, vol. 15, February 1960: 1-10. [Table 2] In the Senate hearings on the Public School Assistance Act of 1961, pp. 275-276.)

Percent of selective service registrants failing the mental test, 1959

1. Iowa.....	5. 6	29. Hawaii.....	21. 4
2. Washington.....	5. 7	30. New Mexico.....	21. 4
3. Minnesota.....	5. 8	31. Rhode Island.....	21. 9
4. Montana.....	6. 6	32. Maryland.....	22. 3
5. Utah.....	7. 0	33. Illinois.....	24. 5
6. Oregon.....	8. 0	34. Texas.....	24. 6
7. Idaho.....	8. 2	35. Arizona.....	25. 2
8. Wyoming.....	8. 7	36. New York.....	25. 3
9. South Dakota.....	9. 2	37. New Jersey.....	26. 1
10. Kansas.....	10. 1	38. West Virginia.....	27. 0
11. North Dakota.....	10. 4	39. Delaware.....	28. 9
12. Nebraska.....	10. 8	40. Tennessee.....	29. 6
13. Wisconsin.....	11. 2	41. Virginia.....	32. 1
14. Vermont.....	12. 1	42. Kentucky.....	35. 6
15. New Hampshire.....	12. 6	43. Georgia.....	38. 2
16. Colorado.....	12. 7	44. Florida.....	40. 0
17. Indiana.....	13. 0	45. North Carolina.....	40. 9
18. Michigan.....	13. 3	46. Arkansas.....	43. 8
19. Oklahoma.....	13. 3	47. Alabama.....	45. 0
20. Ohio.....	15. 7	48. Louisiana.....	50. 0
21. Massachusetts.....	16. 0	49. Mississippi.....	53. 4
22. Maine.....	16. 1	50. South Carolina.....	61. 9
23. Alaska.....	18. 2	48 States and District of Colum- bia.....	24. 7
24. Missouri.....	18. 5	Guam (including Mariana Is- lands).....	34. 6
25. Nevada.....	18. 6	Puerto Rico (including Canal Zone and Virgin Islands).....	9. 9
26. Pennsylvania.....	19. 3		
27. Connecticut.....	20. 5		
28. California.....	20. 6		

(Source: U.S. Department of Commerce. Bureau of the Census. Literacy and educational attainment, March 1959. Current Population Reports, Series P-20, No. 99. [February 4, 1960-Table 3, p. 15] In Senate hearings on the Public School Assistance Act of 1961, p. 271.)

Level of school completed by persons 25 years old and over and 25 to 29 years old, 1940-59

Date and age	Both sexes			
	Percent by level of school completed			Median school years completed
	Less than 5 years of elementary school	4 years of high school or more	4 or more years of college	
(1)	(2)	(3)	(4)	(5)
25 years and over:				
March 1959.....	8.0	42.9	7.9	11.0
March 1957.....	9.0	40.8	7.5	10.6
October 1952.....	9.1	38.4	6.9	10.1
April 1950.....	10.8	33.4	6.0	9.3
April 1947.....	10.4	32.6	5.4	9.0
April 1940.....	13.5	24.1	4.6	8.4
25 to 29 years:				
March 1959.....	3.0	63.3	11.0	12.3
October 1952.....	3.8	56.7	10.0	12.2
April 1950.....	4.6	51.7	7.7	12.1
April 1940.....	5.9	37.8	5.8	10.4

(Source: Submitted by the U.S. Department of Health, Education, and Welfare. In U.S. Congress. House. Committee on Education and Labor. Federal aid to schools. Hearings before the General Subcommittee on Education. Pt. 2. 87th Cong., 1st sess., 1961, pp. 1043-1044.)

*Historical summary of fall survey statistics on enrollment, teachers, and schoolhousing in full-time public elementary and secondary day schools, 50 States and District of Columbia, 1954-60*

[Data in secs. A through F are as of the fall of the year. Where totals are shown to the last digit, they are not in fact precise to that degree but merely represent the sum of rounded and unrounded figures furnished by the States]

Item (1)	1954 (2)	1955 (3)	1956 (4)	1957 (5)	1958 (6)	1959 (7)	1960 (8)
<b>A. ENROLLMENT</b>							
Total enrollment.....	29,548,805	30,680,183	31,718,732	32,951,426	34,080,844	35,182,343	36,305,104
Elementary schools.....	21,310,096	22,159,143	22,216,495	22,860,801	23,414,947	23,906,367	24,457,321
Secondary schools.....	8,238,709	8,521,040	9,502,237	10,090,625	10,665,897	11,275,976	11,847,783
Percent of total enrollment in elementary schools.....	72.1	72.2	70.0	69.4	68.7	67.9	67.4
Percent of total enrollment in secondary schools.....	27.9	27.8	30.0	30.6	31.3	32.1	32.6
<b>B. PUPILS IN EXCESS OF NORMAL CAPACITY</b>							
Total number of pupils enrolled in excess of normal capacity of accessible publicly owned school plants in use.....	12,344,068	2,276,072	2,302,920	1,953,800	1,850,300	1,746,000	1,868,000
Elementary schools.....	1,904,880	1,717,474	1,690,716	1,341,577	1,253,700	1,127,000	1,181,000
Secondary schools.....	439,188	558,598	612,204	612,223	596,600	619,000	687,000
Percent of total excess enrollment in elementary schools.....	81.3	75.5	73.4	68.7	67.8	64.5	63.2
Percent of total excess enrollment in secondary schools.....	18.7	24.5	26.6	31.3	32.2	35.5	36.8
Total pupils in excess of normal capacity as percent of total enrollment.....	7.9	7.4	7.3	5.9	5.4	5.0	5.1
Pupils in excess of normal capacity in elementary schools as percent of total elementary enrollment.....	8.9	7.8	7.6	5.9	5.4	4.7	4.8
Pupils in excess of normal capacity in secondary schools as percent of total secondary enrollment.....	5.3	6.6	6.4	6.1	5.6	5.5	5.8
<b>C. PUPILS ON CURTAILED SESSIONS</b>							
Total number of pupils attending school for less than a full or normal schoolday.....	(?)	(?)	(?)	(?)	(?)	(?)	685,496
Elementary schools.....	(?)	(?)	(?)	(?)	(?)	(?)	505,861
Secondary schools.....	(?)	(?)	(?)	(?)	(?)	(?)	179,635
<b>D. CLASSROOM TEACHERS</b>							
Total teachers, full time and part time.....	1,067,985	1,141,041	1,198,945	1,259,206	1,306,290	1,355,288	1,409,995
Elementary schools.....	691,373	732,640	751,465	785,838	814,907	831,697	861,035
Secondary schools.....	376,612	408,401	447,480	473,368	491,323	523,591	548,960
Percent of total teachers in elementary schools.....	64.7	64.2	62.7	62.4	62.4	61.4	61.1
Percent of total teachers in secondary schools.....	35.3	35.8	37.3	37.6	37.6	38.6	38.9

Footnotes at end of table, p. 44.

*Historical summary of fall survey statistics on enrollment, teachers, and schoolhousing in full-time public elementary and secondary day schools, 50 States and District of Columbia, 1954-60—Continued*

[Data in secs. A through F are as of the fall of the year. Where totals are shown to the last digit, they are not in fact precise to that degree but merely represent the sum of rounded and unrounded figures furnished by the States]

Item (1)	1954 (2)	1955 (3)	1956 (4)	1957 (5)	1958 (6)	1959 (7)	1960 (8)
<b>E. PUPIL-TEACHER RATIO</b>							
Pupil-teacher ratio (total elementary and secondary schools).....	27.7	26.9	26.5	26.2	26.1	26.0	25.7
Elementary schools.....	30.8	30.2	29.8	29.1	28.7	28.7	28.4
Secondary schools.....	21.9	20.9	21.2	21.8	21.7	21.5	21.6
<b>F. TEACHERS WITH SUBSTANDARD CERTIFICATES</b>							
Total full-time teachers with substandard certificates.....	1 74,874	78,375	90,291	92,525	92,972	97,020	91,552
Elementary schools.....	60,576	60,105	66,868	70,657	68,337	67,823	67,249
Secondary schools.....	14,298	18,270	23,423	21,868	24,635	29,197	24,303
Percent of total teachers with substandard certificates in elementary schools.....	80.9	76.7	74.1	76.4	73.5	69.9	73.5
Percent of total teachers with substandard certificates in secondary schools.....	19.1	23.3	25.9	23.6	26.5	30.1	26.5
Total teachers with substandard certificates as percent of total teachers.....	7.0	6.9	7.5	7.3	7.1	7.2	6.5
Teachers with substandard certificates in elementary schools as percent of total elementary teachers.....	8.8	8.2	8.9	9.0	8.4	8.2	7.8
Teachers with substandard certificates in secondary schools as percent of total secondary teachers.....	3.8	4.5	5.2	4.6	5.0	5.6	4.4
<b>G. INSTRUCTION ROOMS</b>							
Number of publicly owned instruction rooms at beginning of school year <sup>1</sup> .....	(2)	1,043,246	1,105,433	1,184,104	1,231,952	1,286,960	1,338,560
Number of instruction rooms completed during school year.....	(2)	63,283	68,660	72,070	69,543	69,400	(4)
Number of rooms abandoned for instructional purposes during school year.....	(2)	14,114	15,851	17,399	16,374	17,800	(4)
Total number of additional instruction rooms needed for housing pupils enrolled at beginning of school year.....	(2)	(4)	159,800	143,200	141,900	135,264	142,160
To accommodate pupils in excess of normal capacity.....	(2)	(2)	80,300	65,100	65,800	62,543	66,141
To replace unsatisfactory facilities.....	(2)	(2)	79,500	78,100	76,100	72,721	76,019
Percent of additional instruction rooms needed:							
To accommodate pupils in excess of normal capacity.....	(2)	(2)	50.3	45.5	46.4	46.2	40.5
To replace unsatisfactory facilities.....	(2)	(2)	49.7	54.5	53.6	53.8	53.5
Total number of instruction rooms scheduled for completion during school year.....	1 60,132	62,420	69,609	70,960	68,930	61,727	69,553

<sup>1</sup> Excludes Hawaii.

<sup>2</sup> Data not available; item not included in annual survey.

<sup>3</sup> Because of changes in school plant inventories, the number of instruction rooms at the beginning of a particular school year is not always the sum of the number of rooms available at the beginning of the previous year, plus rooms completed, and minus rooms abandoned during the previous school year.

<sup>4</sup> Data to become available in fall 1961 survey.

Source: U.S. Office of Education. 10-year plans in education; staffing and constructing public elementary and secondary schools, 1959-60. Washington, The Office, 1960. P. 67.

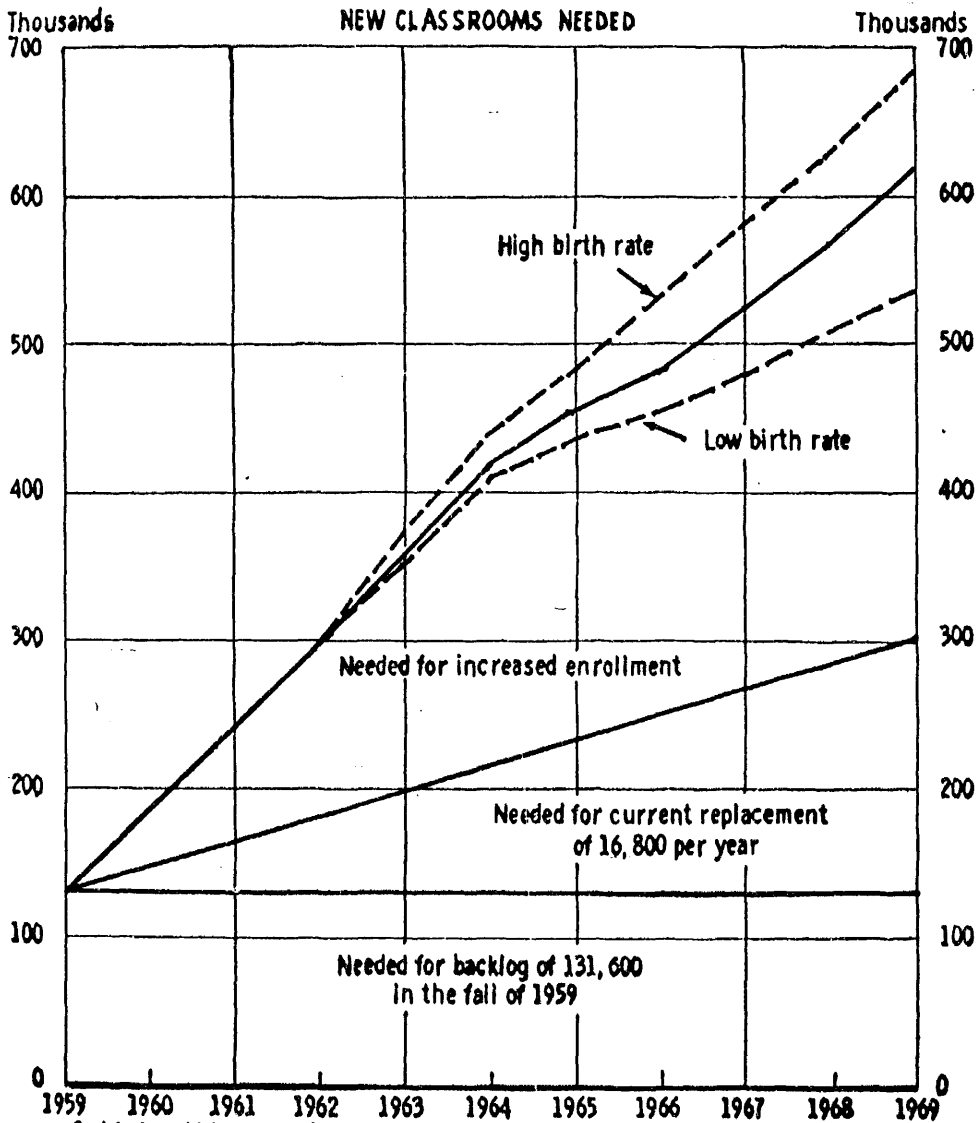
# FALL 1960 STATISTICS ON ENROLLMENT, TEACHERS, AND SCHOOLHOUSING IN FULL-TIME PUBLIC ELEMENTARY AND SECONDARY DAY SCHOOLS, BY STATE

U. S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
Office of Education

Advance data from forthcoming Office  
of Education Circular No. 636

Office of Education																											
Region and State	Number of pupils enrolled			Number of classroom teachers			Number of teachers teaching under substandard credentials 1/			Degrees or number of semester hours required for lowest regular teaching certificate 2/		Number of pupils in excess of normal capacity of the accessible publicly-owned school plants in use			Number of pupils attending school for less than a full or normal school day			Inventory of instructional rooms			Additional instructional rooms needed (as of fall 1960)		Instructional rooms scheduled for completion during 1960-61 school year	Region and State			
	Total	Elementary 3/	Secondary 4/	Total	Elementary 5/	Secondary 6/	Total	Elementary 7/	Secondary 8/	Elementary 9/	Secondary 10/	Total	Elementary 11/	Secondary 12/	Total	Elementary 13/	Secondary 14/	Available, beginning 1959-60 school year	Completed during 1959-60 school year	Abandoned for instructional purposes during the 1959-60 school year	Available, beginning 1960-61 school year	To accommodate excess enrollment reported in column 13			To replace unsatisfactory facilities (exclusive of those in column 24)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
UNITED STATES (50 States and D.C.)	36,305,104	24,457,321	11,847,783	1,409,995	661,035	548,960	91,552	67,249	24,303	-	-	1,868,000	1,181,000	687,000	5/685,496	5/505,861	5/179,635	1,286,960	69,400	17,800	1,338,560	142,160	66,141	76,012	69,553	U. S.	
NORTH ATLANTIC.....	8,434,285	5,255,535	3,178,750	348,604	194,341	154,463	25,375	16,490	8,885	-	-	523,538	297,591	225,947	283,288	153,025	130,263	298,226	13,501	1,772	307,955	36,076	19,073	17,003	13,567	N. Atl.	
Connecticut.....	480,473	303,611	176,862	20,065	12,738	7,773	1,700	91,200	9,500	B	B	21,861	10,761	11,100	18,987	6,882	12,305	17,088	1,258	355	17,949	1,080	865	855	678	Conn.	
Delaware.....	82,206	47,572	34,634	3,688	1,977	1,711	529	435	94	B	B	1,846	1,138	708	98	98	-	3,150	286	7	3,349	155	68	93	130	Del.	
Maine.....	204,783	1/155,898	1/48,885	8,175	5,609	2,566	379	298	81	96	B	11,145	7/9,251	7/4,884	4,613	1/1,895	1/3,318	7,393	369	118	7,664	893	543	350	444	Maine	
Maryland.....	607,363	358,022	249,341	9/23,520	8/12,305	8/11,215	4/6,200	2/4,457	2/1,743	B	B	57,836	30,092	27,744	6,244	19,682	16,592	18,959	1,100	168	19,091	2,912	2,057	855	1,192	Md.	
Massachusetts.....	837,643	560,365	277,278	35,553	20,983	14,570	11,150	10/580	10/570	B	B	37,901	22,158	17,803	4,195	3,082	1,113	33,104	689	159	33,634	2,342	1,332	1,010	800	Mass.	
New Hampshire.....	105,969	72,468	33,501	4,504	2,768	1,736	450	360	90	B	B	4,323	3,073	1,250	2,133	-	2,133	4,028	241	82	4,187	294	152	142	185	N. H.	
New Jersey.....	1,054,405	739,862	314,543	46,266	30,225	16,041	6,180	4,733	1,447	B	B	79,865	48,519	31,367	59,163	42,744	17,419	36,535	1,964	255	38,244	3,839	2,806	1,033	1,328	N. J.	
New York.....	2,780,000	1/1,630,000	1/1,150,000	119,500	62,300	57,200	5,050	2,630	3,220	B	B+30	224,800	11/135,600	4/69,200	137,770	11/70,669	4/67,101	96,900	3,960	910	99,950	16,000	8,200	7,800	5,800	N. Y.	
Pennsylvania.....	1,950,591	1,131,576	817,015	74,653	38,355	36,298	965	501	464	B	B	52,081	18,175	33,906	13,465	7,168	6,297	69,633	2,941	1,516	71,058	6,546	2,346	4,402	2,722	Pa.	
Rhode Island.....	134,513	77,735	56,778	5,255	2,694	2,561	346	187	159	B	B	6,569	3,513	3,056	4,226	11/2,111	11/3,905	4,583	257	54	4,786	407	230	177	100	R. I.	
Vermont.....	74,891	53,393	21,498	3,110	2,100	1,010	326	238	88	B	B	4,052	3,173	1,479	-	-	-	3,113	224	107	3,230	849	194	655	92	Vt.	
Dist. of Columbia	121,448	80,805	40,643	4,375	2,593	1,782	1,300	871	429	B	13/B	15,658	12,115	3,543	2,394	2,394	-	3,742	272	41	3,973	777	546	231	132	D. C.	
GREAT LAKES AND PLAINS.....	10,211,806	7,046,836	3,164,970	409,884	259,941	149,943	24,944	20,278	4,686	-	-	-	-	-	5/109,120	5/94,119	5/45,001	378,924	-	-	-	39,213	14,844	24,329	19,822	14,031	Gr. Lakes and Pl.
Illinois.....	1,741,709	1,287,537	454,172	72,114	49,108	23,005	5,735	5,144	591	11/60	B	122,998	104,925	18,073	50,407	49,775	632	67,659	1,872	676	68,555	8,099	4,691	4,008	4,003	Ill.	
Indiana.....	10/983,531	10/709,496	10/274,035	10/35,000	10/25,248	10/9,732	3,000	2,250	750	B	B	15,000	11,250	3,750	15/	15/	15/	33,930	1,933	178	35,685	1,321	500	821	2,152	Ind.	
Iowa.....	577,735	381,276	196,459	26,204	14,903	11,341	320	220	100	B	B	13,775	6,900	6,875	15/	15/	15/	546	19,915	313	20,148	705	505	200	500	Iowa	
Kansas.....	465,000	352,000	113,000	21,610	12,980	8,630	-	-	-	B	B	15/	15/	15/	15/	15/	15/	23,378	15/	15/	17/2,007	1,139	17/868	17/375	17/375	Kans.	
Michigan.....	1,680,740	1,045,537	635,203	63,942	36,691	27,251	8,353	6,893	1,460	120	120	54,075	32,445	21,630	13,614	11,833	1,781	51,242	3,500	200	54,542	10,762	1,931	8,811	3,810	Mich.	
Minnesota.....	692,336	413,758	278,578	29,092	15,152	13,940	517	401	116	B	B	28,995	15,203	13,792	12,286	8,599	3,687	26,798	1,292	351	27,739	3,816	1,016	2,800	1,190	Minn.	
Missouri.....	824,395	528,045	296,350	30,084	20,727	9,357	119	68	81	64	B	35,300	1/26,300	1/9,000	-	-	-	29,119	1,388	286	30,221	4,354	1,524	2,830	1,391	Mo.	
Nebraska.....	282,997	193,319	89,678	13,094	8,811	5,083	566	476	90	40	B	6,835	5,112	1,694	703	703	-	14,797	462	307	14,952	358	189	169	332	Nebr.	
North Dakota.....	138,163	7/100,897	7/37,266	7,528	5,202	2,326	34	24	10	64	B	4,687	2/3,096	2/1,591	-	-	-	7,378	350	512	7,216	902	156	746	399	N. Dak.	
Ohio.....	1,950,852	1,306,759	644,093	73,729	45,524	28,205	4,951	3,779	1,172	B	B	60,604	33,147	27,457	31,022	22,179	8,843	66,669	3,273	663	69,279	3,919	2,020	1,899	3,551	Ohio	
South Dakota.....	149,348	7/111,212	7/38,136	1,677	5,695	1,918	339	273	66	18/30	B	13,871	7/8,764	7/5,107	1,088	7/1,030	7/58	7,249	257	193	7,313	820	463	357	219	S. Dak.	
Wisconsin.....	725,000	517,000	208,000	28,950	19,900	9,050	1,000	750	250	64	B	21,200	10,700	10,500	-	-	-	30,790	1,520	510	31,800	1,550	750	800	1,500	Wis.	
SOUTHEAST.....	8,791,792	5,964,358	2,827,434	317,330	197,778	119,552	16,376	12,687	3,689	-	-	626,278	385,379	240,899	5/118,329	5/106,294	5/12,035	297,384	16,102	5,435	308,051	45,968	21,363	24,605	16,113	S. E.	
Alabama.....	769,134	474,000	295,134	26,461	14,690	11,771	2,227	1,305	922	B	B	113,598	67,502	46,096	27,011	20,223	6,818	23,687	2,324	271	25,760	7,335	4,926	4,408	2,805	Ala.	
Arkansas.....	422,160	240,021	182,139	15,022	7,820	7,202	2,214	1,739	475	B	B	29,692	17,836	11,856													





Source: U.S. Office of Education. Ten-year aims in education; staffing and constructing public elementary and secondary schools, 1959-69. Washington, The Office 1960.

## PROPOSED FEDERAL AID FOR EDUCATION

*Public school elementary-secondary classroom needs, capital outlay expenditures, and revenue requirements, 1954-55 through 1968-69*

Item (1)	1954-55 through 1958-59 (2)	1959-60 through 1963-64 (3)	1964-65 through 1968-69 (4)
Number of classrooms			
Future classrooms needed for—			
Increased enrollment.....		201,000	107,000
Backlog, fall 1959.....		131,600	0
Current replacement.....		84,000	84,000
Total.....	(1)	416,600	191,000
Billions of dollars			
	Current dollars	1959 dollars	
Capital outlay expenditures for 5 year period for—			
Increased enrollment.....	(1)	8.7	4.4
Backlog, fall 1959.....	(1)	5.3	0
Current replacement.....	(1)	3.6	3.6
Total.....	14.3	17.5	8.0
Average annual capital outlay expenditures for—			
Increased enrollment.....	(1)	1.7	0.9
Backlog, fall 1959.....	(1)	1.1	0
Current replacement.....	(1)	0.7	0.7
Total.....	2.9	3.5	1.6
Average annual revenue required to finance capital outlay for—			
Capital outlay before 1959-60.....	1.5	1.4	1.3
Capital outlay after 1959-60.....	0	1.2	1.5
Total.....	1.5	2.5	2.8

<sup>1</sup> Not available.

NOTE.—Because of rounding, detail does not necessarily add to total. Assumptions underlying projection and method of converting capital outlay expenditures to revenue requirements are mentioned in the text, p. 88.

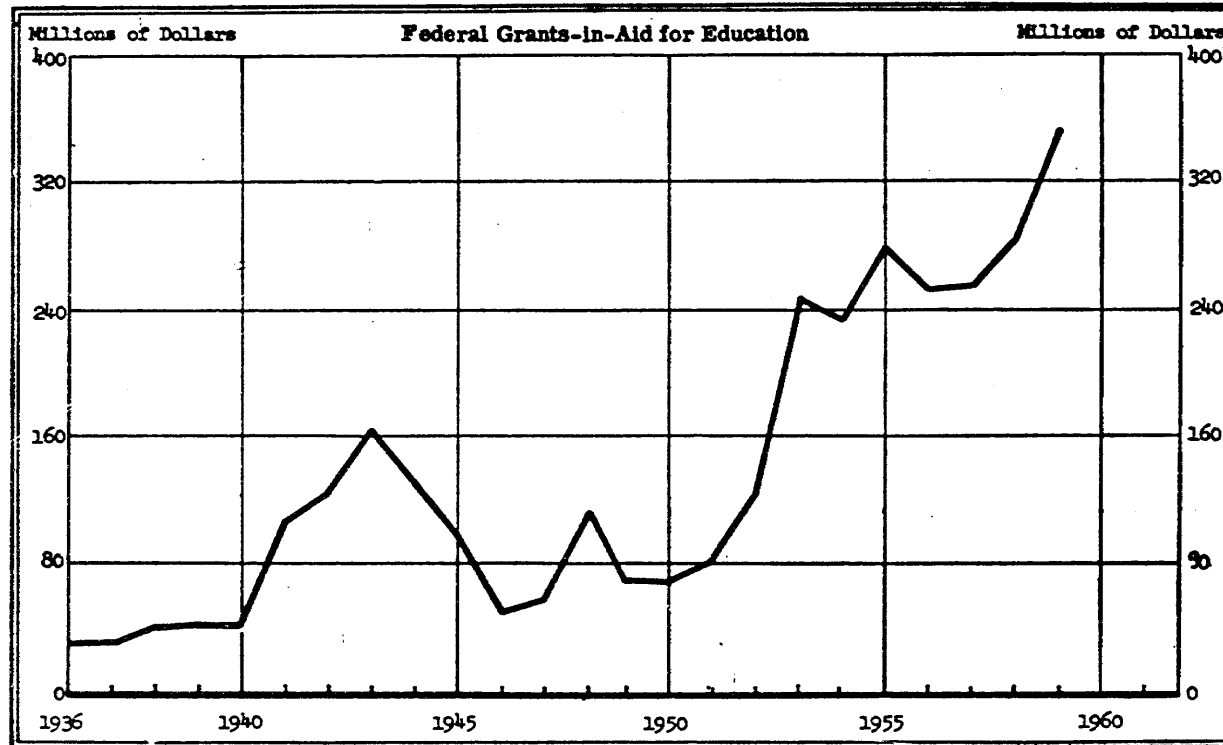
Source: U.S. Office of Education. *Ten-year aims in education; staffing and constructing public elementary and secondary public schools, 1959-69*. Washington, The Office 1960, p. 72.



(Source: U.S. Department of Health, Education, and Welfare. Health, education, and welfare trends. 1960 ed. Washington, U.S. Government Printing Office, 1960, p. 30.)

#### FEDERAL GRANTS-IN-AID FOR EDUCATION

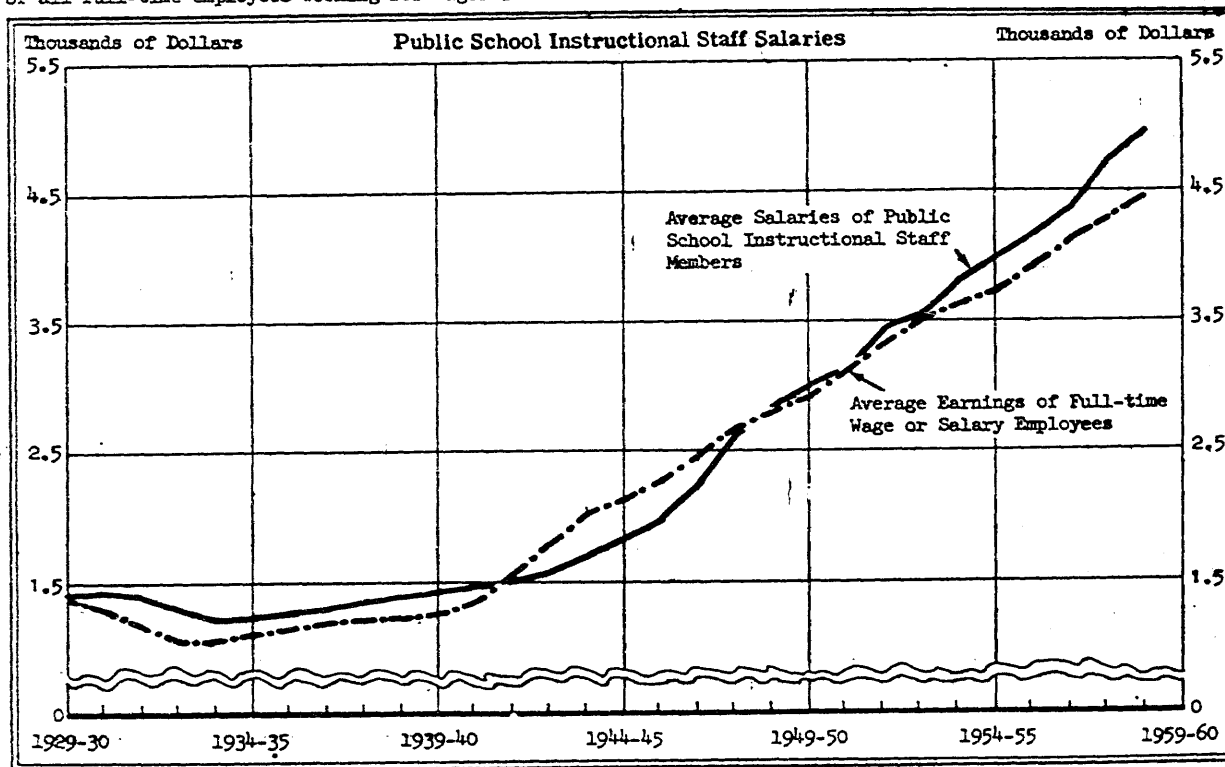
Federal grants-in-aid to State and local governments for education totaled \$351 million in the fiscal year 1959. Of this total, \$198 million was for the financing of school construction and the maintenance and operation of schools in areas affected by Federal installations and projects. Other Federal grants for education in FY 1959 included \$59 million for cooperative agricultural extension work and \$38 million for vocational education.



(Source: U.S. Department of Health, Education, and Welfare. Health, education, and welfare trends 1960 ed. Washington, U.S. Government Printing Office, 1960.)

#### PUBLIC SCHOOL INSTRUCTIONAL STAFF SALARIES

Salaries of public school instructional staff members averaged \$4,935 in the school year 1958-59. During the War years instructional staff salaries rose less rapidly than those of other workers. In the postwar period, however, instructional staff salaries have risen more rapidly and now exceed by a small margin the average pay of all full-time employees working for wages and salaries.



(Dollars)					
School year ending	Average salaries <u>1/</u>				Average annual earnings of full-time employees working for wages or sal- aries--all industries <u>4/</u>
	Total instructional staff <u>2/ 3/</u>	Classroom teachers <u>3/</u>			
		Total	Elementary	Secondary	
1920	871	-	-	-	-
1930	1,420	-	-	-	1,386
1934	1,227	-	-	-	1,070
1937	1,327	-	-	-	1,221
1940	1,441	-	-	-	1,282
1941	1,470	-	-	-	1,372
1942	1,507	-	-	-	1,576
1943	1,599	-	-	-	1,830
1944	1,728	-	-	-	2,030
1945	1,846	-	-	-	2,148
1946	1,995	-	-	-	2,272
1947	2,254	-	-	-	2,472
1948	2,639	-	-	-	2,692
1949	2,846	-	-	-	2,823
1950	3,010	-	-	-	2,930
1951	3,126	2,980	2,765	3,375	3,120
1952	3,450	3,167	2,960	3,561	3,322
1953	3,554	3,405	3,205	3,795	3,500
1954	3,825	3,605	3,425	3,960	3,628
1955	3,958	3,816	3,615	4,194	3,758
1956	4,156	4,000	3,800	4,350	3,942
1957	4,364	4,220	4,025	4,560	4,120
1958	4,721	4,520	4,325	4,840	4,274
1959	4,935	4,775	4,575	5,110	4,458

Source : U.S. Department of Health, Education, and Welfare; Office of Education; Biennial Survey. U.S. Department of Commerce, Office of Business Economics; National Income: 1934 and Survey of Current Business, July 1957, February 1958, and July 1959. National Education Association, Research Division; annual publication, Estimates of School Statistics. 1/ Regular public day schools. 2/ Includes classroom teachers, principals, supervisors, and other instructional personnel. 3/ Salaries of classroom teachers were estimated by National Education Association. Salaries of instructional staff are based on surveys of the Office of Education for all years through 1951 and for years ending in an even number prior to 1957-58. Data for other years are based on interpolations or estimates of the National Education Association. 4/ Average annual earnings computed by the Department of Commerce have been adjusted to a school year basis by averaging the two years concerned.

(In millions of dollars)

Fiscal year	Total Federal grants-in-aid for education	Department of Health, Education, and Welfare grants for education								Other Federal grants for education	
		Total	Vocational education	Colleges for agriculture and the mechanic arts	Schools <sup>1/</sup>		Library services	American Printing House for the Blind	Emergency programs <sup>2/</sup>	Cooperative agricultural extension work	State marine schools
					Construction and survey	Maintenance and operation					
1936	31.9	13.2	9.5	3.5	-	-	-	.1	.2	18.6	.1
1939	43.2	25.3	19.5	5.0	-	-	-	.2	.6	17.8	.1
1940	43.6	25.1	19.5	5.0	-	-	-	.1	.5	18.5	.1
1941	106.0	87.3	20.1	5.0	-	-	-	.1	62.1	18.5	.2
1942	144.4	125.3	20.5	5.0	-	-	-	.1	99.7	18.8	.2
1943	163.8	144.9	20.9	5.0	-	-	-	.1	118.9	18.8	.1
1944	128.8	108.1	21.7	5.0	-	-	-	.1	81.2	20.6	.2
1945	96.4	73.7	19.8	5.0	-	-	-	.1	48.9	22.5	.2
1946	50.6	27.3	20.0	5.0	-	-	-	.1	2.1	23.1	.2
1947	57.6	31.0	20.5	5.0	-	5.3	-	.1	-	26.5	.2
1948	113.3 <sup>3/</sup>	35.7	26.4	5.0	-	4.1	-	.1	-	26.2	.2
1949	69.0 <sup>4/</sup>	36.6	26.1	5.0	-	5.5	-	.1	-	30.0	.2
1950	69.9 <sup>5/</sup>	38.3	26.5	5.0	-	6.7	-	.1	-	31.0	.2
1951	80.3	48.8	26.7	5.0	3.2	13.8	-	.1	-	31.1	.3
1952	143.5	111.8	25.8	5.0	44.9	35.9	-	.1	-	31.5	.2
1953	246.7	214.9	25.4	5.0	118.3	66.0	-	.2	-	31.5	.3
1954	235.2	203.3	25.3	5.1	105.3	67.5	-	.2	-	31.5	.4
1955	277.8	239.2 <sup>6/</sup>	30.5	5.1	120.9	81.9	-	.2	-	38.4	.3
1956	252.1	208.9	33.2	5.1	89.2	81.2	-	.2	-	43.0	.3
1957	253.6	204.6	37.6	5.1	67.1	93.2	1.4	.2	-	48.7	.3
1958	283.7	228.0	39.2	5.1	74.4	104.1	4.9	.3	-	55.3	.4
1959	351.0	291.3 <sup>7/</sup>	38.4	5.1	66.1	132.1	5.4	.4	-	59.4	.3

Source: U. S. Department of Health, Education, and Welfare; Social Security Administration; June issue of the Social Security Bulletin. U. S. Department of the Treasury; Annual Report of the Secretary of the Treasury; Combined Statement of Receipts, Expenditures and Balances of the United States Government. This tabulation of funds made available to State and local governments under Federal grant-in-aid programs was prepared on a "checks issued" basis from reports of the administering agencies. The term "grant-in-aid" is here confined to Federal funds made available for cooperative Federal-State or Federal-local programs administered at the State and/or local level and for those programs in which the bulk of the funds is channeled through agencies of State and local governments. Emergency grants and the value of grants-in-kind are included when they conform to this definition. Federal aid granted directly to individuals and private institutions and reimbursements to State and local governments for expenses incurred by them as agents of the Federal government in administering programs primarily national in character have been excluded. Federal payments in lieu of taxes and shared revenues also have been excluded. 1/ The Federal Government contributes funds (P.L. 815 of 1950 as amended and extended) to local school systems in areas that are "Federally impacted" because Federal property reduces the taxable base and Federal activities burden existing facilities. 2/ Office of Education economic emergency grants began in 1956 and ceased with \$0.2 million in 1961, the year in which training of production workers for the war emergency commenced. 3/ Includes \$51.2, \$2.1, and \$0.3 million respectively 1948-50 in funds for veterans educational facilities. 4/ Includes \$0.6 million for State and local preparation for White House Conference on Education. 5/ Includes \$44.0 million for activities under the National Defense Education Act of 1958 (P.L. 85-660).

## II. FEDERAL FINANCIAL ASSISTANCE TO EXPAND OPPORTUNITIES FOR HIGHER EDUCATION

### A. Proposed Federal Grants and Loans to Individuals and Institutions of Higher Education Including Pro and Con Considerations

(Source: Advisory Committee on National Student Financial Aid Programs. Report on Federal Student Aid Program. In U.S. Congress. House. Committee on Education and Labor. Aid to higher education. Hearings before the Special Subcommittee on Education. 87th Cong., 1st sess., 1961, pp. 280-284.)

#### FEDERAL STUDENT AID PROGRAM—REPORT OF THE ADVISORY COMMITTEE ON NATIONAL STUDENT FINANCIAL AID PROGRAMS

\* \* \* \* \*

Implicit throughout this report are two assumptions: First, the expenses of higher education represent a growing hardship for the average American family and thus, an increasingly significant barrier to higher education for many of our young people; and second, to alleviate this situation, programs of national scope using Federal funds are both warranted and needed.

#### A FEDERAL SCHOLARSHIP PROGRAM

Most, but not all, proposals favoring a Federal scholarship program consider this form of aid especially necessary for the student of ability who will never consider going to college or whose college plans will be seriously affected by family financial limitations. Rare is the proposal which does not emphasize consideration of need. Most opponents of a Federal scholarship program express concern over the problems confronting the needy student, but question that scholarships will solve them. Presumably such doubts would vanish if scholarship programs were devised to provide the encouragement, incentive, and funds which would lead needy students to seek a higher education.

Proposals now before the public favoring a Federal scholarship program differ in the number of awards suggested, the assignment of administrative responsibility, the size of awards, and the extent to which they would duplicate existing private or public programs. That these differences exist, in spite of a common concern for lost student talent, suggests a lack of agreement on the method by which able but impoverished students can be assisted by Government to obtain a higher education.

Critics of a Federal scholarship program consider that it would stimulate increases in college fees, lead to a concentration of students in relatively few institutions, and provide support for students who are attending college.

Like many other groups, the committee favors the establishment of a Federal scholarship program. It believes that the equalization of higher educational opportunity, one of our Nation's major goals, can best be met by a well-conceived Federal scholarship program. While there are other measures which could improve educational opportunity, in the committee's judgment, none would be addressed so directly to this objective as a scholarship program. The committee has sought to identify the principles which in its judgment characterize a meaningful scholarship program. It now offers these principles to other educators for their consideration:

1. *A Federal scholarship program should be an instrument of encouragement and motivation to able students who are not currently attending college.*—Few existing programs accomplish this objective; a Federal scholarship program which merely duplicates current programs is certainly not needed. At present, the extremely able but needy student is receiving ample financial assistance and attending college. The moderately able, moderately needy student is also obtaining a higher education. The moderately able and very needy student has been overlooked. In this last group are hidden thousands of talented young people for whom a pro-

gram is vitally needed which will stimulate and encourage them to seek a higher education. Conventional methods of selection, too literally used, fail to perceive the intellectual potential of this group.

A program to assist the moderately able and needy student may lack the glamour and ease of administration of existing programs, but if equality of educational opportunity is worth achieving, these are considerations which should be dismissed.

2. *A Federal scholarship program should be designed only as an instrument of student support.*—The problem which such a program should solve is too complex in itself to be made part of a more general effort to finance institutions, pay faculty, or support building programs. There are many important needs of higher education, but a scholarship program should be aimed only at solving the individual student's unique set of financial and educational problems.

3. *A Federal scholarship program should be designed to complement various student support programs already in existence.*—The Nation's colleges, many organizations, the Federal and State Governments, all support excellent and much needed student aid programs. Any new Federal program should take into consideration the purposes and achievements of these programs, and it should seek, in the words of President Kennedy, "to supplement but not supplant those programs of financial assistance to students which are now in operation."

\* \* \* \* \*

4. *A Federal scholarship program should attempt to select winners before other scholarship programs.*—Educators agree that the identification and encouragement of able youth should begin as early as possible in a student's educational career. This is particularly true for the extremely needy student whose college aspirations too frequently fade as he completes his secondary education. Many programs which make their selections in the student's senior year provide little encouragement to the student who has not developed the incentive to attend college. The committee believes that a Federal program should seek to identify students it intends to assist early in their junior year of high school. (Research, currently available, shows that prediction of college success is possible and practicable at this early level.) Awards could then be announced before the student enters his senior year. Such a plan would provide great encouragement for the extremely needy student at a crucial time in his educational career. In addition, it would permit him to seek supplementary aid, if it were needed, from existing scholarship agencies which might be more inclined to assist him if he possessed some means of meeting part of the costs of higher education.

5. *A Federal scholarship program should provide funds to individuals only in an amount necessary to encourage the student's attendance at a college, not in amounts which will necessarily pay all his college expenses.*—Large stipends or grants may be proper in some programs but they should not be part of a Federal scholarship plan. Money, even in small amounts, should not be given to students who do not have serious need for it. Assistance of no more than \$800 could greatly assist a student from a low income family, for if he combined this amount with self-help (loans or jobs), the student with no assistance from his family could make a choice of many institutions of higher education. The payment of excessive money to students could contribute to increases in college fees and unduly promote the attendance of students at a number of high-cost institutions.

6. *A Federal scholarship program should provide grants varying according to the financial strength of the student and his parents.*—An ideal Federal program would be one which provided student grants not in excess of \$800, or the cost of tuition, fees, and books plus \$300, whichever were smaller. The size of the grants should be determined by an index which would consider the resources of both the student and his parents. As an alternative, the amount of Federal income tax paid by the family could be used as a measure of financial strength. Students from families with incomes above the national average would receive little, if any, assistance.

The committee feels strongly that no money should be used merely to honor students. The award of so-called certificates of merit would serve little purpose unless they might be used to assure the student a stipend during his upper-class years if his parents encountered some unexpected financial difficulties.

\* \* \* \* \*

8. *A Federal scholarship program should employ indexes of aptitude and achievement in the selection of award winners.*—In large selection programs, the temptation to resort to a single index is often great. A Federal scholarship program should not be an intellectual contest, rather it should be an effort to discover and encourage needy students to enter college. Often the cultural and educational

deprivation of such students makes it difficult to measure by standard testing devices their ability to do good work in college. It is, therefore, essential that in addition to using recognized measures of scholastic aptitude, very careful consideration be given to the student's secondary school achievement record.

9. *A Federal scholarship program should not be restricted to certain programs of study nor to certain places of study.*—Students having only limited familiarity with the broad opportunities afforded them through higher education should not be forced into putting their financial needs ahead of their intellectual aspirations. It is in the interest of both the individual and the Nation that the individual be allowed the freedom to make changes in his study program during his college career. Any proposal which would restrict students to a particular program of study fails to take into consideration the many changes in curriculum choice that students normally make and overlooks the low correlation between specific programs of study in college and vocational pursuits after college.

If, however, the Nation faces specific manpower needs and wishes to encourage students to undertake special courses of study, the committee would favor awards to such students at the beginning of the junior year of college, a time when curriculum choices have been made.

Any program which would restrict students to a particular institution or State would fail to recognize differences in educational opportunities and differences between individuals seeking an appropriate educational experience.

10. *A Federal scholarship program should be written in terms of dollars and not number of awards.*—The objective of the Federal program should be to assist as many needy students as possible with aid in amounts adequate to make college possible. Specifications of the number of awards could be restrictive in two ways. First, if congressional appropriations were small and the number of required awards large, the awards would be so small as to be meaningless. Second, if the specified number of awards were too small in relation to the amount appropriated and the actual needs of the candidates, aid might be given in amounts greater than needed. The surest way to make certain that appropriate amounts will reach students is to empower the granting authority to make awards under a framework which specifies the maximum amount that may be awarded but not the number or average amount of awards.

11. *Any Federal program designed to encourage more students to attend college should provide institutions with small, fixed grants for each award winner who enrolls.*—A Federal student-aid program which encourages a new group of students to enter college should provide the institution with a grant which, at least in part, will help defray the added costs of educating additional students.

12. *A Federal scholarship program should allocate funds to a State in a manner related to the purposes of the program.*—If the purpose of a Federal program is to assist able youngsters who would not otherwise attend college, it would be most realistic to allocate funds on the basis of the number of 16-year-olds in each State. If allocations were made on the basis of the number of high school graduates, it is evident that States in which large numbers of students do not complete high school would not receive sufficient amounts to cope with this educational problem.

\* \* \* \* \*

#### A FEDERALLY INSURED STUDENT LOAN PROGRAM

Under current proposals the Government would insure the loans made to students by institutions of higher learning, whether these loans come from the college's own funds or from funds obtained by the college from outside agencies. Quotas of insurance coverage would be established for each institution and the interest rate, which would accrue from the date of the loan, could not exceed 5 percent simple interest. The institution would pay one-fourth of 1 percent to the Government for the cost of insurance. No special criteria, such as need, would be prescribed.

In the past, proposals of this kind have received some favorable reactions, since it was felt that they would provide considerable capital for loans and entail little administrative effort or cost to the Government. Colleges should remember, however, that under this type of proposal they would themselves have to obtain the bulk of funds from outside sources. The Government's function would be limited to insuring the loans.

Opposition to such a loan plan has usually been based on four factors: (1) the great difficulty of locating funds at interest rates of  $4\frac{1}{4}$  to  $4\frac{1}{2}$  percent, (2) a further involvement of the time and finances of educational institutions in a quasi-commercial loan activity, (3) a real fear that this program might be eventually substituted for the National Defense Education Act loan program, and (4) the

fact that many colleges are legally restricted from borrowing money for any purpose.

Besides the potential for greatly increased credit opportunities, supporters see the program as providing opportunities for those who wish to borrow for reasons of convenience rather than necessity. They also feel that such a program might encourage more reasonable interest rates among strictly commercial ventures in this field. The middle-income parent desirous of paying for his children's education is increasingly looking for opportunities to meet educational costs and to spread them over a number of years, a need to which this program seems particularly well suited. The big question is whether or not this kind of program is the responsibility of the college.

#### FEDERAL INCOME TAX PLANS FOR EDUCATIONAL EXPENSES

There have been over 50 bills introduced in the 87th Congress which would either (1) allow the treatment of some or all of the expenses of a higher education as a deduction in computing net taxable income, or (2) allow some percentage of certain educational expenses (usually tuition, books, and fees) to be claimed as a credit against tax owed or paid. Neither of these plans offers the possibility of substantial financial relief to families where the tax is already very small or nonexistent. This is not to say, however, that tax credit or deduction is not a worthwhile approach to individual problems of educational financing. Middle-income families need some relief, and this is one way for them to receive it. A tax credit plan, if it were the only form of Federal student aid would leave much to be desired. However, as part of a larger plan to help lower and middle income families it might serve a significant purpose.

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(Source: American Association of Land-Grant Colleges and State Universities and the State Universities Association. Recommendations on Desirable National Action Affecting Higher Education. In U.S. Congress. House. Committee on Education and Labor. Aid to higher education. Hearings before the Special Subcommittee on Education. 87th Cong., 1st sess., 1961, pp. 158-163.)

\* \* \* \* \*

The first priority in educational expenditures, both from the standpoint of maintaining quality and of expansion, must always be faculty salaries. The land-grant institutions have received some aid for faculty salaries from the Federal Government for nearly a century. Since the Northwest ordinance and the Land-Grant Act clearly left the control of academic policies to the States, they have had no experience of objectionable Federal control through this legislation. However, since higher education is far from agreement on the desirability of direct Federal aid for teaching salaries, the associations believe that action for general Federal aid in the years immediately ahead must be for educational facilities. This aid should take two forms:

#### (1) *College housing loan program, long-range planning*

Continuance and expansion of the college housing loan program is needed within its present general legal framework, with modifications as needed to meet new problems such as those involved in urban renewal areas \* \* \*. We urge prompt action in the coming session of Congress to meet needs as they are shown to exist through applications.

A distinct improvement in the college housing loan program would be the establishment of an improved basis for long-range planning for the program. Financing has thus far been on a year-to-year basis, and there have been several years in which authorized funds have been exhausted before a new authorization was available. The administration and Congress should give consideration to formulation of a long-range authorization under which a specified amount of new funds would become available for each fiscal year covered by the authorization.

#### (2) *General aid for academic facilities*

(a) *Grants to States.*—\* \* \* we propose that Federal legislation for aid for academic facilities be enacted, and that the decision as to which institutions should participate in it should be left to the appropriate authorities in the various States. Those institutions which participate in general State aid for such facilities, would be eligible to participate in the Federal program. Funds would be allocated to the States on a formula basis, and matching would be required. Each State



would determine its most pressing needs for expansion of facilities; whether at the community college, 4-year college, or graduate and professional level.

(b) *Loans*.—For educational institutions which for various reasons may be unwilling to or unable to participate in a grant program, or for those which wish to use a grant and borrowing program in combination, we would support as an accompaniment to a grant program an academic facilities loan program along the lines of the college housing loan program. Since both legal restrictions and major considerations of educational philosophy bar many institutions from using loans as a means of constructing academic facilities, we believe it essential that the grant and loan program be linked together in legislation.

(3) *Establishment of new Federal degree-granting institutions*

\* \* \* The establishment of new Federal degree-granting institutions, and expansion of the degree-granting authority of existing institutions, has been advocated by many persons sincerely interested in the welfare of our country and of its young people. We believe these proposals are unsound. There is no lack of institutions able to offer the types of high-level specialized training for which new Federal academies are proposed. Expansion of support of these would be far less costly and more productive than the creation of new Federal institutions or programs at the degree level.

## II. DIRECT SUPPORT OF GRADUATE EDUCATION AND RESEARCH

### \* \* \* Graduate fellowships: Aid to graduate schools

\* \* \* \* \*

The graduate fellowship program of the National Defense Education Act has made a substantial impact in increasing the numbers of graduate students, stimulating new graduate programs in existing graduate schools, and in encouraging institutions to enter the graduate field. Because it is limited to new or expanded programs, it has not met the problem of assuring use to greater capacity of programs in many existing graduate schools of high quality. We urged that the NDEA fellowship program be continued. The requirement that some fellowships be awarded for "new and expanded" programs should be continued, but in addition, there should be programs which can accept more students on the basis of present facilities and staff. We commend the National Science Foundation for recognizing the problem of concentration (which it has in part created) by awarding a portion of its fellowships through institutions. We urge that, in revising NDEA legislation, consideration be given to substituting fixed per student payments to graduate schools as a substitute for the present policy of reimbursement on the basis of detailed costs, which involves excessive administrative detail. The requirement that fellowships be lost to a program when fellows drop out should be changed and replacements be permitted. We suggest flexibility which will allow sufficient aid for young college faculty members who need to take full-time leave to continue graduate work.

\* \* \* \* \*

### \* \* \* AID TO INDIVIDUALS IN OBTAINING A COLLEGE EDUCATION

Many proposals for helping individuals or their families defray the cost of college education have been placed before the Congress in recent years. In general, for reasons previously stated, we feel that aid to educational institutions to help them provide facilities and staff and keep charges to students at reasonable figures is by far the most effective and most needed form of aid. We have, however, strongly endorsed special programs of aid to individuals at the graduate level because of the crucial importance of this level of education.

Recommendations on other proposals follow:

### \* \* \* Scholarships

(a) \* \* \* costs to the individual to obtain a higher education pose a barrier for thousands of potential students. This barrier operates against the interest of the Nation. It affects the student of average ability even as it does the students of above average and exceptional ability. For this reason we have advocated consistently our historical viewpoint that the soundest approach to assuring educational opportunity in the national interest is the provision of educational opportunity of high quality at low cost to the individual.

Scholarship and loan programs are needed and serve valuable objectives in insuring the availability of higher education to many students. They are not, however, an adequate substitute for educational opportunity available at low cost to individuals of wide ranging ability, interests, and financial means.

Proposals for a Federal program of scholarships have attracted our interest and concern. No programs thus far offered have attracted our favor as being soundly conceived or practical of administration in terms of achieving its professed objectives, or as deserving at this time a priority in Federal expenditures on higher education.

An abundance of evidence drawn from some existing national scholarship programs fails to demonstrate that very many students of exceptional ability have attended college as a result of the program who would not have attended college anyway, although perhaps different institutions.

What appears to be lacking is a reliable base of information on the number of high school graduates who attend college by States and their distribution according to ability grouping, high school records, and economic means. The Nation, therefore, does not know that a Federal scholarship program is needed, the objectives which a Federal scholarship program should seek to achieve, or the kind of program most likely to achieve it. \* \* \*

These associations, instead, urge that careful study be made of the whole problem prior to enactment of legislation, for poorly conceived action could prove to be only a deluding of the public into thinking it had met its challenge to provide educational opportunity.

In summary, we wish to broaden the opportunity for higher education soundly, economically, and effectively, but at this time do not believe any Federal scholarship program proposed is the answer.

\* \* \* *Tax credit*

Proposals for a direct deduction from taxes owed the Federal Government in respect of tuition and required fees paid colleges and universities are, we believe, unsound both from the standpoint of fiscal policy and educational policy. Objections from the standpoint of fiscal policy have been ably stated by the Treasury Department. In general, the device proposed would give tax support to educational institutions in proportion to fees charged students, although in form an aid to the taxpayer. As such it would encourage increased charges to students, discriminate against large categories of students and of institutions, and would not give the expected relief to taxpayers, since the increase in charges would in many cases balance the relief in taxes. \* \* \*

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(Source: Statement of Dr. Everett Case, president of Colgate University, chairman of the American Council on Education's Committee on Relationships of Higher Education to the Federal Government. In U.S. Congress, House Committee on Education and Labor. Aid to higher education. Hearings before the Special Subcommittee on Education. 87th Cong., 1st sess., 1961, pp. 151-152.)

## TITLE II.—SCHOLARSHIPS FOR COLLEGE STUDENTS

\* \* \* We have recommended a Federal scholarship program for many years. The Federal Government, we believe, can and should provide greater assistance in removing financial barriers to higher education for qualified students. Costs to the student, according to a council survey, have risen at both public and private institutions as much in the last 4 years as in the preceding 8 years or in the 20 before that. The loan program under the NDEA has helped many families in the middle-income brackets, but qualified students at the very low income levels are finding college more and more difficult to finance.

All the studies made in recent years by the council have shown strong support in the academic world for Federal scholarships. An inquiry to our membership as late as last November asking, "Should a Federal scholarship program be added to the NDEA?" brought an affirmative vote of more than 2 to 1. It will not surprise you, I am sure, to know that in answer to the question, "For each scholarship student enrolled, should the educational institution receive a cost-of-education grant?" there was an affirmative vote of 4 to 1.

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(Source: Statement of the Chamber of Commerce of the United States. In U.S. Congress, House, Committee on Education and Labor. Aid to higher education. Hearings before the Special Subcommittee on Education. 87th Cong., 1st sess., 1961, pp. 299-302.)

\* \* \* The chamber believes, however, that the private sector of our economy and the State and community governments of the Nation can continue to finance institutions of higher education for all young people who have the ability and desire to continue their education beyond the secondary level. \* \* \*

\* \* \* It is assumed that a significant proportion of American youth who desire to and should continue their education beyond high school are now unable to do so because of either (a) their inability to finance such education or (b) the lack of college facilities in which to give them higher educational instruction.

The preponderance of the evidence indicates that neither assumption is sound. On the contrary, the sheer volume of enrollment in institutions of higher education reveals that a higher proportion of American youth are continuing their education than in any other nation on earth. Even more important and uniquely American is the fact that this immense enrollment in higher education is being voluntarily undertaken by young people. Their desire for such continued training is demonstrated by the fact that over half of them are partially, and a seventh of them totally, self-sufficient in financing their higher education.

Multiple applications by high school seniors for admission to as many as 8 to 10 institutions continue to confuse the availability of educational opportunity. There are, indeed, many of the big name institutions, as in the Ivy League or the Big Ten universities, where increasingly selective measures have been instituted and many applications for admission have been rejected for diverse reasons. The pressure to get into such name institutions should not obscure the fact that literally hundreds of smaller institutions, both public and private, could accommodate far more students than are now enrolled in them. Some of the latter even have established publicity campaigns and have expanded their program of student loans and scholarships in the hope of attracting larger enrollments especially among the more brilliant students. While graduate and professional schools may currently need to be expanded, this is being accomplished by present private, State, and Federal programs. It is yet to be demonstrated, however, that local undergraduate opportunities in higher education are not keeping pace with the demand for admissions by American youth. On the contrary, many scholarships and loan funds now available to young people for this purpose are going unused. At the same time, Phillip H. Coombs, program director of the education program, the Ford Foundation, recently noted the tremendous waste in current utilization of both faculties and facilities of higher education, quoting a survey of colleges and universities which "revealed that, on the basis of a 44-hour week, classrooms were used only 46 percent of the time (25 percent when measured in terms of pupil stations) and their laboratories only 38 percent of capacity." There is, therefore, in the opinion of the chamber, no justification for the assumption that Federal scholarships are needed or that the expansion of instructional facilities is not keeping pace with the undergraduate needs of higher education.

\* \* \* The assertion is often made that a third of our American young people with above average ability do not go to college, with the inference that all or most of them should. The national chamber believes this to be fallacious, for it assumes that all of these young people will desire a college education and would profit more from it than from other courses of action they are now choosing to pursue. The fact is that we have always had and should continue to have large numbers of men and women of above average mentality in vocations which do not require a college degree; and conversely that there are many approaches to manpower development for vocations in the trades and in the business world other than the college campus. It has yet to be demonstrated that any American youth of high ability who has a sincere desire to continue his or her education is unable to do so. Educators have repeatedly indicated that the lack of desire to attend college and preference for immediate pursuit of some trade or technical vocation (or for marriage) amounts for the bulk of the quoted one-third of above average youth not attending a college.

While the chamber does not believe that conditions exist in higher education which \* \* \* justify the Federal scholarship program and loans for construction of academic facilities, it is even more concerned about the consequences that such programs would cause.

First of all, the responsibility and power that would be concentrated in the Office of Education and the judgments that would be required of the Commissioner of Education would constitute a centralization of authority about the course of higher education.

\* \* \* If the present Federal scholarship proposals \* \* \* become law, it will presage the further decline of private higher education and the removal of responsibility from the individual for payment of the instructional costs of higher education. It will signify a decision from which there is no turning back—that higher education will be increasingly the responsibility of the State and Federal Government and not of the individual seeking the education. In other words, enactment of the legislation would accelerate the trend already evident in higher education to diminish the diversity and experimentation inherent in private enterprises in higher education.

A third potential consequence of this legislation stems from the Federal and State bureaucracy that must be established in administering the scholarship program which it envisions. The National Defense Education Act has already shown the undesirable consequences of federally made decisions about the emphasis which should be given to the various academic disciplines. While the proposed legislation makes no mention of any preference to be given the scholars in any one field of endeavor, it authorizes establishment of a mechanism which could regulate and plan manpower development in this country whenever any subsequent Congress found it desirable to do so.

If the recent trend in this country toward increasingly centralized decision-making eventuates into an even greater amount of planning of the economy in Washington, a natural corollary to such centralized planning will be that of identifying the manpower needed for the desired economy. This relationship between centralized influence on higher education and centralized planning of economic growth is already very much apparent in European countries. It is the basis of the Russian quota system for each faculty of every university and institute—with the examination questions centrally prepared for applicants, and with overall quotas for each professional or technical vocation prescribed in the total higher educational scheme. Planned manpower development thus eventuates from Federal assumption of responsibility for the total socioeconomic growth of the Nation. This legislation could be the forerunner to such a development in American education.

The Chamber of Commerce of the United States, therefore, respectfully urges [that] \* \* \* (1) no need for either program authorized in this legislation has been demonstrated, and (2) its enactment would constitute a critical step toward Federal direction of the course of American higher education. Our colleges and universities have thus far been controlled by diverse State, community, and private judgments, and through the latter, academic freedom has long been maintained in this country. The chamber seeks to keep it so.

In the event that the scholarships authorized in the present bill are converted into an expansion of the present loan program under title II of the National Defense Education Act, the forgiveness of up to one-half of the loans authorized for 5 years of teaching after graduation should be extended to all levels of education in both public and private institutions of learning that are fully accredited.

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(Source: Statement of Charles C. Cole, Jr., dean of Lafayette College, Easton, Pa., on behalf of the Association for Higher Education. In U.S. Congress. House. Committee on Education and Labor. Aid to higher education. Hearings before the Special Subcommittee on Education. 87th Cong., 1st sess., pp. 173-178.)

\* \* \* Since 1945 the Association for Higher Education has been on record as favoring the enactment of legislation to institute a federally supported scholarship program. \* \* \*

I believe there are four major reasons for favoring a Federal scholarship program at this time in our Nation's history. First, there has been ample evidence that we face a serious shortage of trained, educated persons in many specialized and professional areas. You are aware, I am sure, of the acute shortages since 1950, in many science and engineering fields. Although currently there are many persons unemployed, our economy is basically sound, and the future growth of that economy will require a considerable increase in the number of workers

in the professional and technical fields, those fields for which a higher education is required. There is evidence that because of our industrial growth there is likely to be a shortage of approximately 150,000 scientists and engineers a decade from now. \* \* \*

It has been estimated that atomic industry alone will require between 10,000 and 20,000 scientific specialists in the next decade. Trained scientists are heavily in demand in industry, in education, and in Government. A shortage of doctors and nurses has existed for some time. It has been estimated that by 1965 between 125,000 and 150,000 social workers will be needed for public and private agencies throughout the country. There is a serious shortage of teachers at the elementary, secondary, and higher levels, and it has been predicted that this shortage will become more acute during the next 15 years.

\* \* \* We will need more trained persons in the humanities, in the social sciences, in industry, in all areas, if our economy is to expand. Ability has become a precious commodity. A Federal scholarship program is needed in order to help meet these developing shortages.

The second reason, Mr. Chairman, for supporting a Federal program is the current loss of talented students which occurs from high school to college.

On the basis of the evidence available, the need for additional scholarships, in order to reduce the loss of talent from high school to college, remains great. \* \* \* The failure of some of our best high school students to go on to college constitutes one of the more serious ways in which the Nation wastes its intellectual resources. This loss of talent is a waste we can ill afford in view of our current and future shortages.

The third reason for supporting a Federal scholarship program lies in the precedents for Federal support in this area.

Finally, Mr. Chairman, another reason for supporting federally financed scholarships at this time lies in the scientific and technological developments which the Soviet Union has so spectacularly made. \* \* \* In a period of continuing international tension, it is especially important that steps be taken to meet our manpower shortages. In the crucial years ahead during which the free world must be strengthened to resist threats of aggression and domination, it is essential that American youth be as well educated as possible, for in the ideological struggle between democratic and totalitarian political, social, and economic philosophies, America must rely not only upon her arms, her military might and powerful weapons, but also upon the brains, the talents, the creative capacities of her youth.

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(Source: Statement of Dr. Arthur S. Flemming, former Secretary of the Department of Health, Education, and Welfare. In U.S. Congress. House. Committee on Education and Labor. Aid to higher education. Hearings before the Special Subcommittee on Higher Education. 87th Cong., 1st sess., pp. 128-132.)

\* \* \* qualified students that come from families in the very low-income levels are finding it more and more difficult to finance a college education.

A statement prepared in the Office of Education points out that during recent years numerous studies have been conducted by many public and private agencies and organizations which provide estimates concerning the need for financial assistance by superior high school graduates. These studies are in substantial agreement on the following points:

(1) Despite the remarkable growth of college enrollments, experts estimate that from 160,000 to 200,000 youths of high ability annually fail to attend college and that from 60,000 to 100,000 of these might be reached if financial assistance could be made available to them.

(2) Cost of tuition and required fees have risen about 75 percent in the last decade and promise to increase still further.

I recommend \* \* \* that the administration's plan be amended so that Federal scholarship funds, up to the prescribed maximum, would be granted upon request to each accredited institution of higher education on the basis of full-time enroll-

ment and such other standards of reasonableness as might be established by the Commissioner of Education. The scholarship awards would then be made directly by each participating institution to scholarship winners on the basis of merit and financial need.

In addition to extending the student loan program under the National Defense Education Act and establishing a system of Federal scholarships, I believe that the Congress should make provision for tax deductions to cover tuition and other costs of higher education.

\* \* \* \* \*

In summary, in order to expedite the construction of needed academic facilities at our institutions of higher education, I urge that Congress at this session take the following actions:

- (1) That it authorize matching grants at the rate of \$60 million a year for 10 years to colleges and universities—both public and private—for the construction of medical, dental, osteopathic, and public health teaching facilities and that it extend for 3 years at the rate of \$50 million a year the matching grant program for the construction of medical research facilities.
- (2) That it extend for 5 years the authorization for the college housing program—for both public and private institutions—at the rate of \$250 million a year.
- (3) That it authorize a 5-year program of matching grants for both public and private universities and colleges for the construction of academic facilities—at the rate of \$210 million a year.
- (4) That it authorize a 5-year program of long-term low-interest construction loans for academic facilities at both public and private institutions with an authorization ceiling of \$90 million a year.

\* \* \* \* \*

In order to make it possible for an increasingly large number of qualified students to attend our colleges and universities, I urge that the Congress at this session take the following actions:

- (1) That it extend the student loan program of the National Defense Education Act.
- (2) That it inaugurate a system of Federal scholarships based on merit and need to be awarded by the institutions of higher education themselves, using funds allocated in approximately the same manner as Federal student loan funds.
- (3) That the income tax laws be amended so as to provide for tax deductions to cover tuition and other costs for higher education.

\* \* \* \* \*

There isn't any question at all in my mind but that a program of both loans and grants for academic facilities in the field of higher education constitutes sound public policy. \* \* \*

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(Source: Statement of Abraham A. Ribicoff, Secretary, U.S. Department of Health, Education, and Welfare. In U.S. Congress. House. Committee on Education and Labor. Aid to higher education. Hearings before the Special Subcommittee on Education. 87th Cong., 1st sess., 1961, pp. 15-16, 28-33.)

\* \* \* \* \*

The facts that support the need for prompt assistance to colleges and universities for the construction of physical facilities can be identified very specifically and briefly.

First, the Nation's colleges and universities must spend, between now and 1966, at least \$8.6 billion for physical facilities, in order to accommodate increased enrollments and to provide adequate facilities for the numbers of students they now have.

Second, projections of anticipated resources for investment in physical plant by these institutions, taking into account every source of income now anticipated for this purpose, indicate that resources will fall short of facilities needs to the extent of \$2.9 billion by 1965, \$3.5 billion by 1966, and \$5.2 billion by 1970.

It is conservatively estimated that enrollments in higher education will increase from 3,610,000 in the fall of 1960 to 6,006,000 in the fall of 1970. The accommodation of this increase of 2.4 million will cost the Nation's colleges and universities some \$15.4 billion for added facilities. In addition, they must remedy present deficiencies.

The plants of our institutions are already strained to capacity. In many of them, three or four students are occupying dormitory rooms designed for two. Approximately 11 percent of the Nation's higher education physical plant is now obsolete and in urgent need of replacement, at a cost of \$1 billion. Replacement and renovation costs through the next decade will add another \$1 billion.

Many institutions are still using buildings donated by the Federal Government for temporary use after World War II. It is estimated that these constitute about 10 percent of all buildings currently in use on college and university campuses. The point has been reached at which the use of these buildings cannot be continued without mounting danger of serious safety hazards.

But hazards to the physical well-being of the students represent only one element of danger. A far greater danger is the eroding of quality in higher education that comes about when institutions are overcrowded, overloaded, and subjected to costs beyond their ability to find resources. This erosion of quality has already begun, and it will continue unchecked in the decade ahead unless action is taken promptly to avert it.

May I remind you that the problem of accommodating these students is not simply one of providing more chairs and more teachers in more classrooms, or of placing more beds in more dormitory rooms. \* \* \*

The Office of Education has compiled a considerable amount of data that amplify and support the conclusions cited. \* \* \*

\* \* \* the bill provides for loans to institutions of higher education in order to finance up to three-fourths of the cost of construction, acquisition, or repair of any needed academic facility. The total amount authorized to be available for such loans is \$1.5 billion, to be made available over a 5-year period at a rate of \$300 million per year.

\* \* \* construction loan proposals, if fully utilized, would provide the Nation's colleges and universities with funds for physical plant expansion and improvement totaling \$2.75 billion over the 5-year period. In our opinion, these funds, when combined with other Federal construction expenditures (such as the proposed medical teaching facilities grant program) would make an important contribution toward closing the projected financial gap to which I referred a minute ago. They would account for about one out of every three dollars needed to meet projected construction costs. They would thus be a substantial addition to higher education sources of financing, without preempting the role of other traditional sources.

The figures speak for themselves. Without the proposed aid, our educational system would be crippled by a deficiency of one-third of needed construction.

#### SCHOLARSHIPS

No less urgent and no less compelling in its significance for the Nation's future strength is the need for encouragement and assistance to students of ability who are economically unable to go to college.

Various studies suggest that there are annually about 150,000 youths of outstanding ability who fail to continue their education and that from 60,000 to 100,000 of these would enter college if they could be assisted in surmounting the economic hurdle of higher education costs. This group of superior high school graduates, whose families lack adequate financial resources, constitute an untapped reservoir of potential leadership we must draw upon if we are to meet our obligations for world leadership and our hopes for economic growth.

Consider for a moment another revealing set of facts. College and university tuition fees during the past decade have increased approximately 86 percent. The average annual current expenditure of a student attending college and living away from home increased between 1953 and the current academic year (1960-61) from approximately \$1,200 to \$1,650 per student. When this cost is considered in relation to the fact that, in 1959, the median income of heads of families 35 to 54 years of age was \$6,140, it is easy to understand why many families with modest incomes find it difficult to send their sons and daughters to college.

In short, the financial burden of a college education is a significant deterrent to the realization of an American ideal—equality of opportunity for all. It is also a deterrent to the meeting of an urgent national need for highly educated people. Failure to reduce this economic barrier would, therefore, constitute a threat to the welfare of the Nation in hard economic and national security terms, as well as in the realm of national ideals and values.

The financial help that has been available to these students has been too limited, not only in the number of scholarships but in the size of the scholarships. Often, the award is small and fails to do the job that is needed. The proposed Federal scholarship program will provide the largest scholarships to those students most in need of help. It would provide effective scholarships in that the funds available will be sufficient to allow a student to enter college and reach his educational goal.

Admittedly, many factors, some of which are difficult to isolate, play an important part in determining higher education plans. However, there is considerable evidence that early identification of talented youth and proper guidance, coupled with adequate financial aid, would immediately induce larger numbers of talented but needy youth to develop their full capacities through higher education.

We are making some important progress. Through the programs of the National Defense Education Act we can now identify these youngsters early enough to do something about them; we are improving the guidance services available to them in their schools; and we are seeking to improve the quality of their schoolwork.

\* \* \* \* \*

If our policy is to insure that our best will be given a chance to do their level best—and our national security would seem to demand no less—consideration must be given to providing additional ways of assisting superior, but financially needy, high school graduates to continue with their education. \* \* \*

\* \* \* \* \*

The proposed plan of scholarships would implement the efforts already begun under the National Defense Education Act to assist the States and high schools in their programs for the early identification and motivation of talented youth through improved counseling services. It would provide for a national talent search, to be conducted on a partnership basis by the Federal Government and the States, to discover, encourage, and assist significant numbers of students of high ability who otherwise might be unable to enter college. It is designed to stimulate and supplement rather than to supplant or discourage additional scholarship assistance by States, corporations, voluntary groups, and other private sources. Actually, the seriousness and size of the problem of "erosion of talent" warrants vigorous participation by all parts, public and private, of our society in its solution.



# PROPOSED FEDERAL AID FOR EDUCATION

63

*Estimated number of scholarships and amount of money allocated to States under the terms of the administration-proposed revision of title II of NDEA*

(1)	Fiscal year 1963		Fiscal year 1966	
	Total scholar- ships <sup>1</sup>	Amount	Total scholar- ships <sup>1 2</sup>	Amount
(2)	(3)	(4)	(5)	
Aggregate, United States.....	25,000	\$17,500,000	187,500	\$131,250,000
50 States and District of Columbia.....	24,760	17,325,000	185,625	129,937,500
Alabama.....	519	363,300	3,889	2,723,300
Alaska.....	15	10,500	111	77,700
Arizona.....	160	112,000	1,197	837,900
Arkansas.....	306	214,200	2,292	1,604,400
California.....	1,896	1,328,600	14,237	9,965,900
Colorado.....	234	163,800	1,784	1,227,800
Connecticut.....	316	221,200	2,367	1,666,900
Delaware.....	56	39,200	418	292,600
Florida.....	543	380,100	4,074	2,851,800
Georgia.....	552	386,400	4,139	2,897,300
Hawaii.....	109	76,360	817	571,900
Idaho.....	116	81,200	872	610,400
Illinois.....	1,332	932,400	9,996	6,997,200
Indiana.....	681	476,700	5,106	3,573,600
Iowa.....	449	314,300	3,369	2,358,300
Kansas.....	328	229,600	2,460	1,722,000
Kentucky.....	468	320,600	3,434	2,403,800
Louisiana.....	462	323,400	3,462	2,423,400
Maine.....	141	98,700	1,058	740,600
Maryland.....	387	270,900	2,906	2,032,600
Massachusetts.....	688	481,600	5,160	3,612,000
Michigan.....	1,124	786,800	8,437	5,905,900
Minnesota.....	551	385,700	4,130	2,891,000
Mississippi.....	345	241,800	2,589	1,812,300
Missouri.....	590	413,000	4,427	3,098,900
Montana.....	109	76,300	817	571,900
Nebraska.....	219	153,300	1,643	1,150,100
Nevada.....	33	23,100	251	175,700
New Hampshire.....	88	61,600	659	461,300
New Jersey.....	717	501,900	5,374	3,761,800
New Mexico.....	131	91,700	984	688,800
New York.....	2,035	1,424,500	15,268	10,687,600
North Carolina.....	715	500,600	5,365	3,755,500
North Dakota.....	109	76,360	817	571,900
Ohio.....	1,329	930,800	9,968	6,977,600
Oklahoma.....	390	273,000	2,924	2,046,800
Oregon.....	270	189,000	2,023	1,416,100
Pennsylvania.....	1,631	1,141,700	12,233	8,563,100
Rhode Island.....	116	81,200	872	610,400
South Carolina.....	369	258,800	2,766	1,936,200
South Dakota.....	111	77,700	835	584,500
Tennessee.....	531	371,700	3,982	2,787,400
Texas.....	1,268	887,600	9,513	6,659,100
Utah.....	160	105,000	1,123	786,100
Vermont.....	66	46,200	492	344,400
Virginia.....	522	365,400	3,917	2,741,900
Washington.....	405	283,600	3,035	2,124,500
West Virginia.....	337	235,900	2,524	1,766,800
Wisconsin.....	608	425,600	4,567	3,189,900
Wyoming.....	53	36,400	390	273,000
District of Columbia.....	79	55,800	594	415,800
Canal Zone.....				
Guam.....				
Puerto Rico.....	260	175,000	1,875	1,312,600
Virgin Islands.....				

<sup>1</sup> Based on the assumption that the amount per scholarship in each State will average \$700.

<sup>2</sup> Consists of the total new scholarships to be made available for fiscal years 1963, 1964, 1965, and 1966.

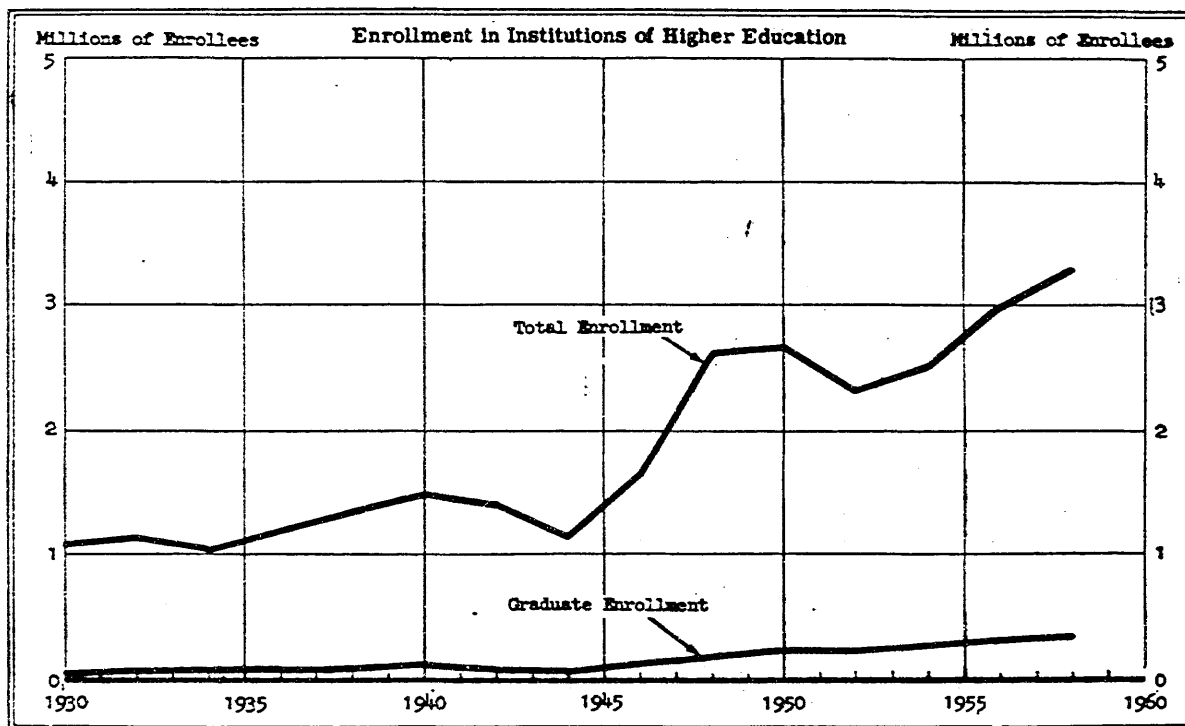
NOTE.—The allocation to each State is estimated on the basis of 1957-58 high school graduates and 1958 population aged 14 to 18.

## B. Statistical Information

(Source: U.S. Department of Health, Education, and Welfare. Health, education, and welfare trends. 1960 ed. Washington, U.S. Government Printing Office, 1960.)

### ENROLLMENT IN INSTITUTIONS OF HIGHER EDUCATION

Nearly 3.3 million students were enrolled in institutions of higher education during the 1957-58 academic year. Except for the World War II and the Korean War periods, the ratio of enrollment in institutions of higher education per thousand population aged 18-24 has increased steadily from 66.9 in 1933-34 to 231.2 in 1957-58. About one out of ten students in higher education is a graduate student. This proportion has remained fairly constant in recent years after increasing substantially between 1944 and 1952.



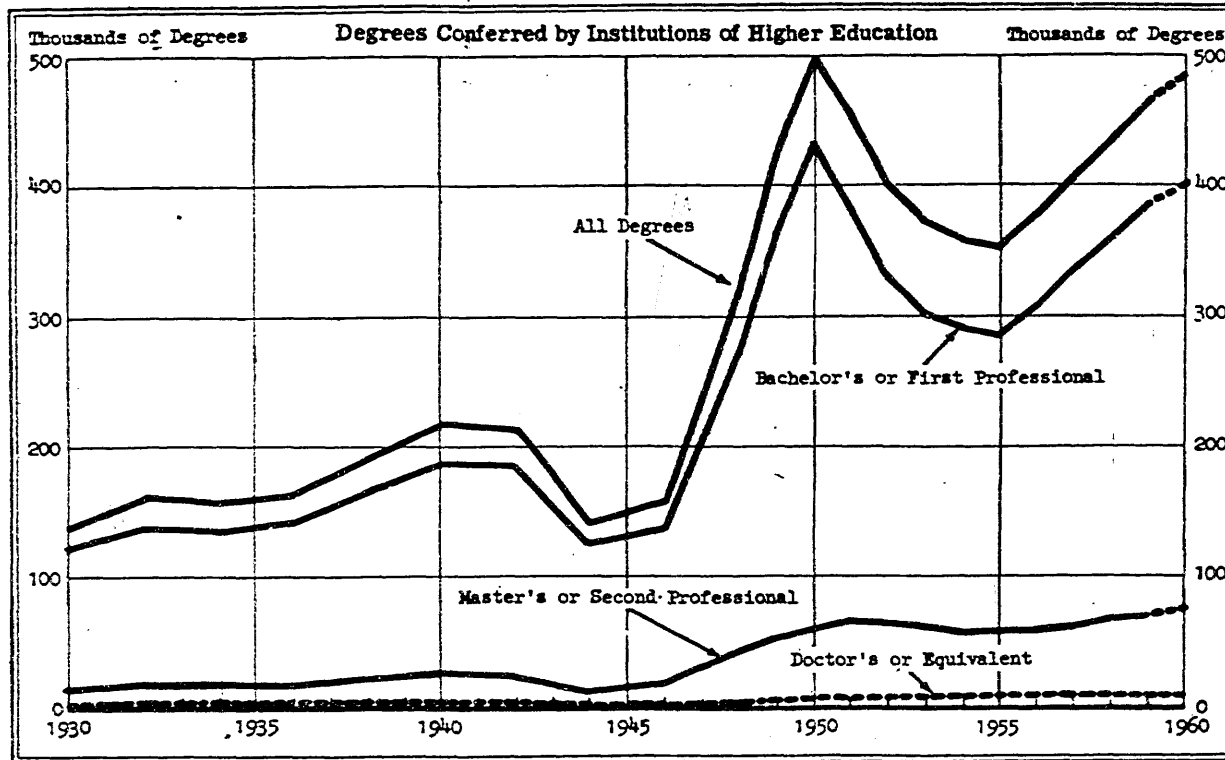
School year ending	Number of institutions reporting	Enrollment				
		Total <sup>1/</sup>		Undergraduate (000's) <sup>2/</sup>	Graduate <sup>2/</sup>	
		Ratio per 1,000 population aged 18-24	Number (000's)		Number (000's)	Percent of total
1930 .....	1,409	72.0	1,101	1,054	47	4.3
1932 .....	1,460	74.0	1,154	1,028	78 <sup>2/</sup>	6.8
1934 .....	1,418	66.9	1,055	964	71 <sup>2/</sup>	6.7
1936 .....	1,628	75.7	1,208	1,129	79	6.5
1938 .....	1,690	83.9	1,351	1,270	91	6.7
1940 .....	1,708	90.9	1,494	1,388	106	7.1
1942 .....	1,720	84.7	1,404	1,319 <sup>2/</sup>	85 <sup>2/</sup>	6.1
1944 .....	1,650	73.7	1,155	1,100 <sup>2/</sup>	59 <sup>2/</sup>	5.1
1946 .....	1,768	123.1	1,677	1,556	121	7.2
1948 .....	1,788	163.2	2,616	2,442	174	6.7
1950 .....	1,851	168.2	2,659	2,422	237	8.9
1952 .....	1,832	151.5	2,302	2,069	233	10.1
1954 .....	1,863	172.1	2,515	2,238	277	11.0
1956 <sup>3/</sup> .....	-	203.5	2,996	2,712	284	9.5
1958 .....	1,880	231.2	3,284	2,939	345	10.5

Source: U.S. Department of Health, Education, and Welfare; Office of Education; Biennial Survey of Education in the United States (1957-58 edition forthcoming) for 1930-58 data; since 1950, data have appeared in Chapter 4, Section I, *Statistics of Higher Education: Faculty, Students, and Degrees*. U.S. Department of Commerce, Bureau of the Census; *Current Population Reports: Population Estimates*, Series P-25, numbers 98, 114, 170 and 187, and special tabulations of the 18-24 age group supplied to the Office of Education. <sup>1/</sup> In some instances the total is slightly less than the sum of undergraduates and graduates, since a student may be enrolled simultaneously as both an undergraduate and a graduate. <sup>2/</sup> For 1952 and earlier years all "special students" were tabulated as undergraduates; thereafter special students were tabulated by level (undergraduate or graduate). <sup>3/</sup> Estimated.

(Source: U.S. Department of Health, Education, and Welfare. Health, education, and welfare trends. 1960 ed. Washington, U.S. Government Printing Office, 1960.)

# DEGREES CONFERRED BY INSTITUTIONS OF HIGHER EDUCATION: 1900-1970

Degrees conferred by institutions of higher education fell during World War II, and then rose to a postwar peak of nearly 500,000 in 1950. In 1956 the number again began to increase, reaching 467,000 in 1959. The number of graduate degrees is becoming a larger proportion of the total. The number of earned degrees for each sex and for each level of degree is expected to increase by four-fifths in the 1960's.



(In thousands)

School year ending	All degrees		Bachelor's or first professional <sup>1/</sup>		Master's or second professional		Doctor's or equivalent <sup>2/</sup>	
	Both sexes	Males	Both sexes	Males	Both sexes	Males	Both sexes	Males
1900 .....	27.3	18.9	25.3	17.2	1.6	1.3	.4	.4
1910 .....	36.7	24.5	34.2	22.6	2.1	1.6	.4	.4
1920 .....	53.5	35.5	48.6	32.0	4.3	3.0	1.6	.5
1930 .....	139.8	84.5	122.5	73.6	15.0	8.9	2.3	1.9
1936 .....	164.2	99.9	143.1	86.1	18.3	11.5	2.8	2.4
1940 .....	216.5	128.9	186.5	109.5	26.7	16.5	3.3	2.9
1942 .....	213.5	121.1	185.3	103.9	24.6	14.2	3.5	3.0
1944 .....	141.6	63.5	125.9	55.9	13.4	5.7	2.3	1.9
1946 .....	157.3	69.7	136.2	58.7	19.2	9.5	2.0	1.6
1948 .....	317.6	208.0	271.2	175.6	42.4	28.9	4.0	3.5
1950 .....	496.9	376.1	432.1	328.8	58.2	41.2	6.6	6.0
1952 .....	401.2	276.5	330.0	226.0	63.5	43.6	7.7	7.0
1954 .....	356.6	232.8	290.8	186.5	56.8	38.1	9.0	8.2
1956 .....	377.0	245.6	308.8	198.2	59.3	39.4	8.9	8.0
1958 .....	437.0	293.1	362.6	241.0	65.5	44.2	8.9	8.0
1959 .....	467	317	387	261	70.7	48.1	9.3	8.3
Projections, <sup>3/</sup>								
1960 .....	486	330	401	269	75.7	52.1	9.7	8.7
1962 .....	515	344	425	280	78.8	53.3	11.4	10.3
1964 .....	610	408	507	336	90.7	60.7	12.7	11.5
1966 .....	648	435	530	352	104.3	70.0	14.0	12.6
1968 .....	775	523	649	434	109.6	73.7	16.5	14.9
1970 .....	866	585	709	475	138.9	93.9	18.1	16.4

Source: U.S. Department of Health, Education, and Welfare; Office of Education; Annual Report of the Commissioner of Education for 1900 and 1910 data; Biennial Survey of Education in the United States. Chapter on Statistics of Higher Education for 1920-46 data; Earned Degrees Conferred by Higher Educational Institutions for each school year during the period 1946-58; Projection of Earned Degrees in 1960-70 (OE-54002), September 1959, also contains data back to 1870 for "contiguous United States" and forward to 1969-70 for "aggregate United States" (incl. Alaska, Hawaii, and outlying parts). U.S. Department of Commerce, Bureau of the Census; Census Population Reports, Series A-23, No. 187, provides the necessary population projections (Series II). <sup>1/</sup> Includes M.D., D.D.S., LL.B., B.D., etc. <sup>2/</sup> Includes Ph.D., Ed.D., etc. <sup>3/</sup> Through the early 1960's based on freshmen enrollment or the number of lower degrees in earlier years; for subsequent years based on continuation of time trends of ratios of degree holders to persons in specific age-sex groups.

(Source: U.S. Office of Education. Physical facilities needs of American higher education, 1961-70. In U.S. Congress. House. Committee on Education and Labor. Aid to higher education. Hearings before the Special Subcommittee on Education, 87th Cong., 1st sess., 1961, pp. 17-28.)

## I. FACTORS AFFECTING FACILITIES REQUIREMENTS FOR HIGHER EDUCATION

### THE INCREASING STUDENT LOAD

Facilities needs, like staff needs, are related specifically to enrollments, though in neither case is the relationship a direct proportion. Shifts in the proportions of resident and commuting students, of married and single students, and of graduate and undergraduate students will affect facilities needs, as will also modifications in institutional calendars, scheduling, and utilization of space. It has been pointed out that between 1959 and 1970 enrollments in higher education can be expected to increase by about 2 million full-time students. Some idea of the attendant facilities requirements may be gained by multiplying this increase by an estimated average capital investment per (additional) student; say, \$6,500. The resulting total, \$13 billion, represents a very rough approximation of the cost of expansion dictated solely by increased enrollments, without reference to replacement and renovation costs, or to the cost of special facilities and equipment needed for instruction or research, all of which might easily add another \$6 billion. More refined methods will be used to estimate this cost more accurately and to determine the additional facilities costs which should be included.

### SPECIALIZED EQUIPMENT AND SPACE REQUIREMENTS

The need to accommodate increasing numbers of students accounts for only a part of the upsurge in physical facilities requirements. The provision of special kinds of space and equipment appropriate to particular instructional functions represents a growing burden on the colleges and universities, many of which will need to replace makeshift arrangements they have had to use even in some areas of graduate instruction and research. Proper facilities for graduate level programs, it should be noted, are generally more costly than for undergraduate.

New developments in both subject matter and methods of teaching are continuously generating new needs for physical facilities. The increasing emphasis on foreign language study, for example, will require the construction of language laboratories for the application of new learning techniques. Particularly expensive space and equipment are required in the physical sciences, where knowledge of established subjects is expanding rapidly, and where whole new fields of study are evolving. The purchase and installation of a nuclear reactor today represents an investment of funds greater than would have been spent for a whole scientific establishment a half century ago.

Much attention is being focused also on new media of instruction and on new techniques in the use of special media, such as television and audiovisual devices. While these developments hold some hope for savings in instructional costs, a point we shall discuss later, we must consider also the requirements that such use could generate for specially constructed facilities.

Medical and dental training facilities are currently being utilized to capacity, but the number of physicians and dentists graduating yearly is not sufficient to maintain current standards of service to our increasing population. To maintain a satisfactory population-physician ratio of 757 to 1, the output of physicians would have to expand to 9,600 in 1970, or 2,100 over the 1960 output. It has been estimated that between 14 and 20 new medical schools will have to be built if the existing population-physician ratio is to be upheld. The financial cost involved here is great since the construction of a medical school requires a capital investment of between \$10 and \$20 million, depending on whether a teaching hospital is already available or must be included in the investment. The factor of urgency also enters into the consideration inasmuch as there is a lag of 10 years between the planning of a school and the production of the school's first graduating class.

Contributing further to the need for medical training facilities is the need for dental schools. According to projections of trends in the supply, the number of dentists in practice in 1975 will total only 96,000, which is about 15,000 fewer than will be needed to assure that dentists will be as widely available as now. To forestall such a shortage will require by 1970 facilities capable of graduating 6,180 dentists annually. This is about 2,700 more per year than are now in prospect, and will require a 75-percent increase in training capacity.

The preparation of many professional and semiprofessional technicians also requires specific kinds of facilities, other than those we have already mentioned in connection with the advanced training of scientists, engineers, physicians, and dentists.

Colleges and universities have increased their organized research activities tremendously since the end of World War II. Approximately 20 percent of total education and general expenditures in 1957-58 went toward the support of organized research. This is twice the percent so expended in 1945-46. Although the major portion of these expenditures is underwritten by foundations, industry, and the Federal Government, the main burden of providing physical facilities needed to carry on research normally falls on the institutions themselves. Since organized research activities are expected to continue to increase, colleges and universities will have to devote a significant portion of their funds to equip, construct, and rehabilitate the facilities in which college and university researchers carry on their work.

Still other factors will influence requirements. More and more institutions are catering to a year-round student enrollment and will have to make additional capital outlays to counteract the more rapid deterioration of buildings and to provide a more satisfactory environment for summer work (e.g., air conditioning), even as they thereby accommodate more students. There is also a need for married student housing and associated auxiliary facilities such as nursery schools, university laboratory schools, health centers, and dining areas.

#### SPECIAL FACTORS RELATING TO RESIDENTIAL REQUIREMENTS

The growing numbers of married students on college campuses in recent years has caused institutions to make increased investments in residential facilities for married students. A study by the Association of College and University Housing Officers shows that nearly two out of five institutions responding to their questionnaire have assumed responsibility for married students by constructing at least some of the necessary facilities.

There is ample evidence that colleges and universities consider the accommodation of married students a permanent responsibility. The Office of Education's physical facilities survey reveals that 4.6 percent of college and university expenditures for construction of housing during 1951-55 was for married students. Institutions estimated that during 1956-70, 9.7 percent of the expenditure for housing would be for married students. Since about 2½ times as much residence space is required for a married student as for a single student, and since increasing numbers of married students are attending colleges and universities, proportionate increases in housing expenditures are unavoidable. A factor that further complicates the task of financing residential facilities is the increase in the proportion of women students in our colleges and universities, since dormitories for women are more expensive to construct than those for men.

Urban universities are faced with the responsibility of providing additional housing for their expanding student bodies, as they increasingly attract undergraduate and graduate students from outside their immediate areas.

Additional residential facilities will be needed by junior colleges, many of which have experienced increased enrollments. As of this date, about 240 of 276 private junior colleges provide some residential facilities for their students, as do also a few of the 391 public junior colleges. States where junior colleges abound, such as California and Texas, estimate that an increasing number of their public junior colleges will need to operate student dormitories. Other States that either are planning or will have to plan dormitories for their public junior colleges are Colorado, Mississippi, and North Dakota.

One decided economic advantage of the community junior college, its proximity to the students' homes, has tended to limit the need for dormitories and other physical facilities in the public junior colleges. Whether the number of junior colleges will continue to increase as rapidly as it has since World War II is not known. However, increase in the number of these institutions will continue to receive prime consideration by States as one method of alleviating the crowded conditions in existing colleges and universities. Students who complete the training available at the community junior college will either terminate their formal education at that point or transfer to a 4-year college or university. Transfer students will then strain the instructional and residential facilities of 4-year colleges.

Although junior colleges offer some opportunity for saving in total plant investment in dormitories, a rapid rate of increase in the number of junior colleges will nonetheless require substantial additional investments in instructional and general facilities.

## II. MAGNITUDE OF FACILITIES REQUIREMENTS, 1960-70

## REVIEW OF RELATED STUDIES

Several research studies conducted at National and State levels furnish important clues to the magnitude of the investment that must be made in the Nation's higher education facilities in the years immediately ahead.

A study made by Long and Black projected 1957-58 enrollments to 1970 and, on the basis of this projection, estimated the additional physical plant facilities that would be required to accommodate the anticipated enrollments. The estimated enrollment increases over the 3,027,029 figure of 1957-58 ranged from a low of 2,017,000 to a high of 2,851,000.

In addition to estimating the needs for expansion of facilities for the period 1957-70, Long and Black considered the cost of replacement of existing substandard facilities. Using a replacement rate of 2 percent per year, they estimated replacement of other-than-residential facilities to cost \$240 million per year and the replacement of residential facilities \$80 million per year. Adding the cost of replacement between 1957 and 1970 (\$4.32 billion for other-than-residential and \$1.38 billion for residential) to the cost of facilities expansion, they estimated the total amount of funds needed for physical facilities at \$12.19 billion to \$15.26 billion, exclusive of the cost of additional land, equipment and campus improvement.

A study published by the Council for Financial Aid to Education in 1959 surveyed the plant needs of 885 leading colleges and universities during the 1957-67 decade. The estimated cost of buildings, equipment, and improvements for the 820 institutions that responded was \$6.04 billion. With this figure as a base, it was estimated that the total cost of construction, equipment, and improvements for all higher education institutions during these 10 years would be \$11.5 billion, or approximately \$3,834 per student increase in enrollment, exclusive of the costs of acquisition and improvement of sites and of deterioration of buildings.

In the second of its five reports of studies dealing with higher education physical facilities, the Office of Education included a chapter on projections of buildings needed through 1970. On the basis of assumptions pertaining to 1970 enrollments, additional instructional and residential needs, construction costs, needed replacement of buildings, rehabilitation of buildings, and normal plant replacement, this report estimated that for 1956-70 the cost of new construction needed to accommodate 2,823,000 additional students by 1970 would be \$12.36 billion, or over \$824 million per year for the 15-year period. Of the \$12.36 billion needed for new construction, it was estimated that approximately \$7.06 billion would be needed for instructional, research, general, and auxiliary facilities, and \$5.30 billion for residential facilities.

Another Office of Education statistical study indicates that 15 percent of the college facilities first occupied between 1940 and 1957 are unsatisfactory and should be razed. This heavy rate of obsolescence is due largely to the acquisition by colleges of temporary buildings under the Government's surplus disposal program immediately following World War II. Make-do measures during the money shortages of the depression and the materials shortages of the war period have produced a backlog of deferred replacements which cannot be indefinitely prolonged. The same study indicates that 12 percent of the buildings occupied before 1901 and still in use in 1957 should be razed, that 17 percent of those occupied between 1901 and 1920 should be replaced, and that 5 percent of those occupied between 1921 and 1940 are obsolescent. If this requirement for replacement, rehabilitation, and depreciation is projected into the predictable future, a computation based upon probable needs during the period 1958 through 1970 places the estimated cost of such measures at \$4,782,650,000, or about \$400 million per year. Of the \$4.78 billion, \$1.40 billion would be required for replacement, \$505 million for rehabilitation, and \$2.87 billion for depreciation.

In this study it was assumed that colleges and universities were constructing both instructional and residential facilities to accommodate the additional students during the 1956-58 period, but that replacement, rehabilitation, and depreciation would continue to be deferred and that these factors would need to be cared for during the remaining 12-year period, 1958-70. Therefore, the needed construction for accommodating additional students, estimated to cost \$12.36 billion, was averaged over 15 years, at \$824 million per year. The cost of replacement, rehabilitation, and depreciation, estimated at \$4.78 billion, was averaged over 12 years, at \$399 million per year. For the 12 years, 1958-70, the average for buildings alone was determined to be in excess of \$1.22 billion annually.



The report of the American Council on Education included summary data of research studies made by 15 States. A compilation of the data of six States (Florida, Louisiana, Mississippi, New Mexico, and Tennessee) that had comparable data in each of the categories was made to obtain an estimate of what the cost per additional student would be to meet the needs by 1970 for residential and other-than-residential facilities. For these six States, it was found that average per student need in other-than-residential facilities would average \$1,938 and that the average residential facilities cost per full-time student housed would average \$4,635. It is estimated that 1 out of every 3 additional students would require housing.

The estimates reached in the studies mentioned naturally differ. They constitute conclusive evidence, however, that the per-student investment in additional facilities required between now and 1970 is great indeed.

#### BASIC ASSUMPTIONS OF THIS REPORT

To determine the cost of needed facilities for any target date in the future is a complex problem in statistical forecasting. The latest comprehensive data on facilities are now 4 years old. The rate of planned construction of new facilities has certainly been modified by the constant forces of obsolescence and depreciation. A further complication is the fact that we must project into the indefinite future a rational balance among the types of facilities to be provided: new classrooms and laboratories, new residence halls, administrative office space, auditoriums, libraries, gymnasiums, hospitals, student unions, and other auxiliary facilities. The proportions in which investment must be divided among these, as well as the total amount required, are dependent upon a wide variety of factors.

Data are reliably established on two important factors to be considered in estimating future building requirements: college-age population and the condition of buildings now in use. The trend in the proportion of college age population actually in college, while it cannot be forecast with certainty, is reasonably well established. Other factors needed for making physical facilities cost estimates, such as space per student and cost per construction unit, can be established from data available on State, regional, or National levels. It is difficult, however, to assess to what extent better utilization of existing campuses will affect the total estimated cost, or to what extent the college population of the future will have to be housed. These and many other factors can be used in projecting facilities costs only through arbitrary assumptions based upon the record of the past and one's best judgment as to the future.

The following assumptions have been made in projecting, for the decade ahead, the total cost of necessary expansion and improvement of the facilities of the Nation's institutions of higher education:

##### 1. Student enrollments

(a) That the percentage of full-time students in the total enrollment will continue to be 75 percent, the same percentage that existed in 1958.

(b) That the 1959-60 full-time enrollment of 2,551,723 will increase to 4,504,500 full-time students by 1970-71, an increase of 1,952,777 full-time students, and that part-time enrollment will increase from 850,574 in 1959-60 to 1,501,500 by 1970-71.

##### 2. Condition of plant

(a) That because of obsolescence and substandard conditions, 12.3 percent of the instructional buildings and 10.5 percent of residential buildings need to be replaced. The gross area of instructional buildings at present is 408,275,680 square feet, of which 12.3 percent needs replacing. This amounts to an estimated need of 50,217,909 square feet. The gross area of residential buildings is 229,925,000 square feet, of which 24,142,125 square feet needs replacing ( $229,925,000 \times 0.105$ ). The total area which needs replacing amounts to 74,360,034 square feet.

(b) That, in addition to the obsolete and substandard buildings mentioned above, 9.8 percent of instructional and related buildings ( $408,275,680 \times 0.098$ ) and 9.1 percent of residential buildings ( $229,925,000 \times 0.091$ ) are presently in run-down condition and functionally obsolete. These need to be returned to satisfactory condition as soon as possible. The number of additional square feet required for instructional and related buildings will amount to 40,011,017; the number for residential, 20,923,175.

### 3. Instructional facilities requirements

(a) That a more efficient utilization of all existing instructional facilities, including those which are presently not being used, will provide accommodations for 200,000 full-time students. (This is considered a reasonable inference from the unoccupied space data presented in the "College and University Facility Survey," pt. 2, p. 3.) This means that instead of planning to provide instructional facilities for 1,952,777 additional full-time students by 1970, it will be necessary to provide for only an additional 1,752,777 (1,952,777 less 200,000).

(b) That each additional full-time student will require an average of 160 square feet of space for instructional and related purposes. (This figure is based on the calculation of 125 square feet per student developed in the Facilities Survey, pt. 2, and is derived by adjusting for inclusion of full-time students only.)

### 4. Residential facilities requirements

(a) That any present excess capacity in residential facilities in colleges and universities throughout the country is more than balanced by the serious overcrowding in many other institutions—an inference based on data from page 4 of the Facilities Survey, part 2.

(b) That institutions will continue to provide housing for one-third of the full-time students. This fraction was derived by analysis and extrapolation of residential-enrollment data also in part 2, page 4, of the Facilities Survey. One-third of 1,952,777 (the number of anticipated full-time students by 1970) is 650,926.

(c) That 90 percent of the full-time students will be single. Dormitory accommodations, therefore, will have to be made for 585,833 single students (90 percent of 650,926).

(d) That 10 percent of the additional students furnished institutional-owned housing will be married, as our earlier discussion indicated. (The pertinent data are from pt. 2 of the Facilities Survey (table 33, p. 74).) Accordingly, it is estimated that living accommodations will be necessary for 65,093 married students.

(e) That each additional single student housed in institutional-owned dormitories will require 237 gross square feet of space; each student family, 572 gross square feet (amounts also derived from the Facilities Survey, pt. 3, table 4, p. 12). Therefore, 138,842,421 square feet will be required for single students ( $585,833 \times 237$ ) and 37,233,196 square feet for married students ( $65,093 \times 572$ ). This amounts to a total requirement of 176,075,617 square feet.

### 5. Construction and related costs

(a) That construction costs of buildings will remain at the current level, an average of approximately \$20 per square foot for all types of buildings (Facilities Survey, pt. 2, table P, p. 77). Although construction costs have increased 43 percent during the past 10 years, 1959 cost figures have been used for the projections of this paper. Other capital costs, including land, equipment and furniture, and campus improvements will cost 50 percent of building construction costs, making a total capital expenditure of \$30 per square foot. The 280,444,320 square feet additional space required by 1970 for instructional facilities will cost \$8,413,329,600, and the 176,075,617 square feet required for residential facilities will cost \$5,282,268,510.

(b) That the cost per square foot for replacement of obsolescent and sub-standard buildings, instructional and residential, will be \$20. The cost for replacing 74,360,034 square feet will amount to \$1,486,642,430.

(c) That the cost of returning buildings to satisfactory condition averages 50 percent of the construction cost of new buildings (i.e., \$10 per square foot). The cost for rehabilitating 60,934,192 square feet will amount to \$609,341,920.

### 6. Additional total cost (special categories)

(a) That identifiable needs for specialized research-related facilities in medicine, dentistry, agriculture, engineering and other sciences—over and above the growth assumed for increased enrollments—will require capital outlays in excess of \$3 billion. This figure is based on a combination of the estimates of several other agencies concerned with these respective fields.

## FACTORS WHICH MAY ALTER THE PROJECTIONS

Many unmeasurable influences may turn out to have a marked effect upon the projections resulting from the assumptions stated. Some of these are as follows:

## 1. Factors that may reduce facilities needs:

More effective space utilization, through changes in scheduling patterns, summer usage, weekend usage.

Development of more economical building materials.

Development of more economical construction techniques.

Advances in building design.

Interinstitutional sharing of facilities.

Increased use of new instructional media such as television and new instructional methods.

## 2. Factors that may increase facilities needs and costs:

Inflation, as reflected in increased costs.

Additional functions assumed by higher education, for example, adult education.

Emergence of new areas of study and research.

Accommodation of increased numbers of foreign students.

In considering the possible effects of any of the foregoing innovations in reducing the need for facilities, account must be taken of the delays in communication, the lag in the adoption of new approaches, inevitably associated with human limitations, and the length of time responsible officials will need to give careful consideration to questions of change. They cannot, without abdicating their responsibilities, substitute entirely the experience of others for their own, in matters of capital outlay. Most of these factors, therefore, which now appear as rays of hope on the horizon, are likely to become influential only in the later stages of the projections in question. Factors which may increase facility needs are likewise considered intangible and can be applied only to the longer range projection. Accordingly, projections have been made for both 1965 and 1970.

## ESTIMATE OF PHYSICAL FACILITIES COSTS, 1960 THROUGH 1970

The total cost figure (in terms of current cost levels) resulting from the application of the assumptions stated is approximately \$18.9 billions by 1970. The following summary shows the cost of physical facilities required for additional students, replacements, and rehabilitation.

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Summary of estimated physical facilities costs, 1960 through 1970

Instructional.....	\$12,900,797,950
Additional students.....	8,413,329,600
Graduate and professional school facilities.....	3,083,000,000
Medical and dental.....	\$1,143,000,000
Research.....	1,940,000,000
Replacements.....	1,004,358,180
Rehabilitation.....	400,110,170
Residential.....	5,973,784,510
Additional students.....	5,282,268,510
Replacements.....	482,284,250
Rehabilitation.....	209,231,750
Total.....	18,874,582,460

COST OF BUILDINGS NEEDED FOR ADDITIONAL STUDENTS

The estimates in the above summary are based on the following computations:

Instructional:		
Additional full-time students.....		1,952,777
Less present additional capacity.....		-200,000
Net additional students requiring physical facilities.....		1,752,777
Times square feet per student.....		×160
Total square feet.....		280,444,320
Cost per square foot.....		×\$30
Total cost.....		\$8,413,329,600
Residential:	Married	Single
Additional students.....	65,093	585,833
Area per student (square feet).....	×572	×237
Area needed (square feet).....	37,233,196	138,842,421
Cost per square foot.....	×\$30	×\$30
Total cost.....	\$1,116,995,880	\$4,165,272,630

Cost of buildings needing to be replaced

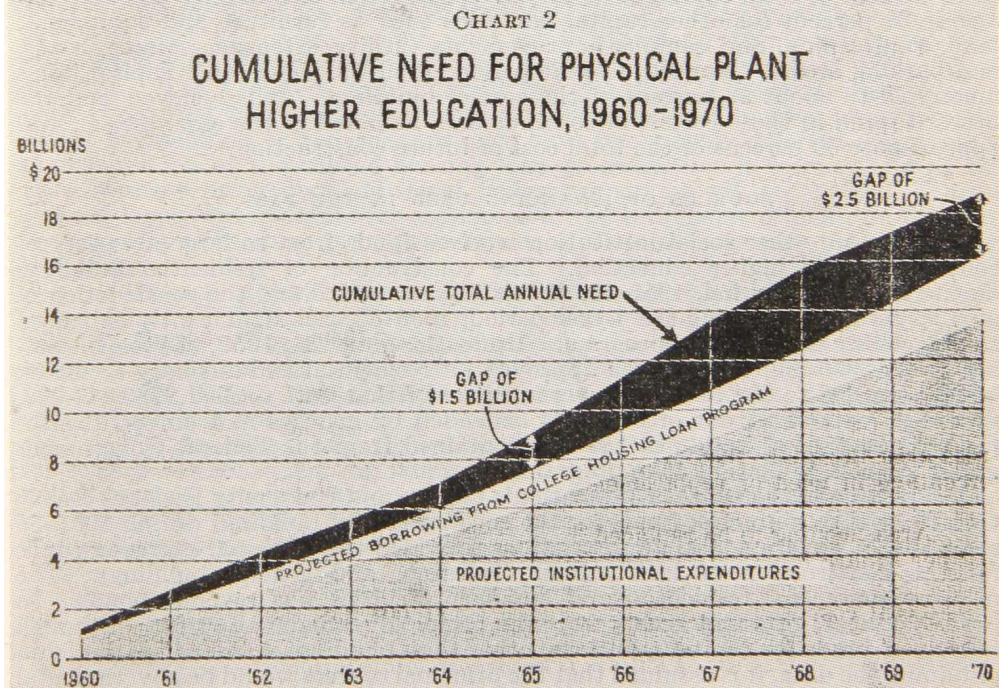
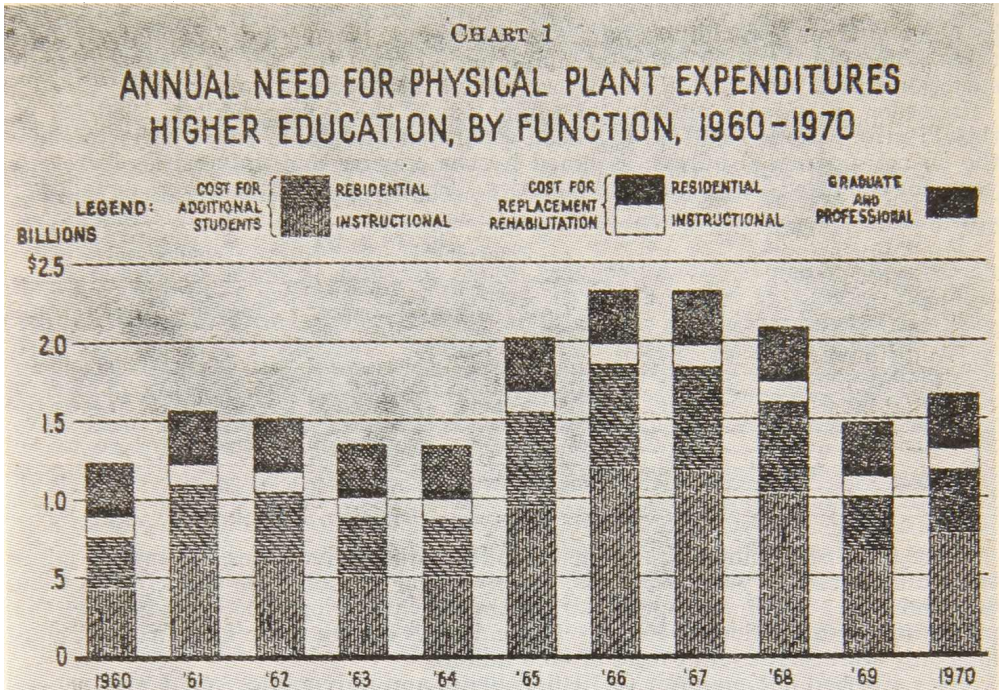
	Instructional	Residential
Gross area in square feet.....	408,275,680	229,925,000
Percentage in need of replacement.....	×0.123	×0.105
Area needing to be replaced.....	50,217,909	24,142,125
Cost per square foot.....	×\$20	×\$20
Total cost.....	\$1,004,358,180	\$482,284,250

Cost of buildings needing rehabilitation

	Instructional	Residential
Gross area in square feet.....	408,275,680	229,925,000
Percentage in need of rehabilitation.....	×0.098	×0.091
Area needing rehabilitation.....	40,011,017	20,923,175
Cost per square foot.....	×\$10	×\$10
Total cost.....	\$400,110,170	\$209,231,750

Graphic presentations derived from these same data are given in chart 1 and the top curve in chart 2.





## III. SOURCES OF FACILITIES FINANCING—PAST AND FUTURE

## EXPENDITURES FOR HIGHER EDUCATION FACILITIES IN THE PAST

Expenditures for capital additions by colleges and universities increased rather steadily from 1949 through 1958, except for a slight dip (1952-53) caused by a curtailment of building supplies in the Korean war period. Capital expenditures estimated for 1959 indicate a tapering off from the rate of maximum construction which prevailed in the 3-year period, 1956-58.

In order to provide meaningful comparisons, the 9-year period, 1950-58, of this 11-year period, 1949-59, has been separated into three equal parts to show the sharply increased burden assumed by the colleges and universities in recent years for the provision of physical facilities. Capital expenditures were as follows:

Years	Total capital		Buildings only	
	Total	Annual average	Total	Annual average
1949.....	\$416,831,000	\$416,831,000	\$313,400,000	\$313,400,000
1950-52.....	1,278,834,000	426,279,000	961,531,000	320,500,000
1953-55.....	1,718,034,000	572,680,000	1,291,754,000	430,600,000
1956-58.....	3,166,475,000	1,055,325,000	2,240,432,000	793,000,000
1959 (estimate).....	931,000,000	831,000,000	700,000,000	700,000,000
Total.....	7,510,681,000	682,789,000	5,647,122,000	513,375,000

More than \$7.5 billion was spent by colleges and universities for capital additions during the 11 years, 1949-59, at an annual average rate slightly less than \$683 million. More was spent during the 3-year period, 1956-58, than in the preceding 6-year period, 1950-55. Expenditures during these 11 years for buildings only were slightly in excess of \$5.6 billion.

Over a period of time prior to 1949, colleges and universities spent an average of 75 percent of total capital costs for the construction of buildings and an average of 25 percent for other capital additions such as furniture and equipment, land, landscaping, and campus improvements (utility extensions, walks, roads, and parking areas). For the 11-year period, 1949-59, these other capital items amounted to about 33 percent of the cost of buildings. It is believed that the upward trend in these costs will continue and, as noted in the assumptions, will approximate 50 percent of the total cost of future construction.

## SOURCES OF FINANCING USED IN THE PAST

Probably no other social institution receives funds from so large a variety of sources as does higher education. The construction of residential buildings during the 9-year period, 1951-59, of this 11-year period and the construction of auxiliary buildings during the 4-year period, 1956-59, was significantly enhanced by the college housing loan program. Up to December 31, 1959, 954 loans totaling about \$936 million had been approved for residential and auxiliary facilities; bonds awarded to the Federal Government as of that date totaled \$730,111,000. Since 1957 about \$1 out of every \$4 expended by colleges and universities for the construction of buildings has been obtained from the Federal Government under the college housing loan program.

The portion of the Office of Education's College and University Facilities Survey that dealt with sources of funds for the construction of buildings during 1951-55 showed that governmental appropriations provided the principal source of funds for the construction of instructional, research, and general buildings. The primary source for residential and auxiliary facilities was revenue bonds. In both instances, gifts and grants were the principal secondary source. Although sources of funds for capital additions, other than buildings, were not gathered in obtaining the data, it is assumed that the principal sources would be governmental appropriations or the revenue bonds, depending on whether the funds were to be used for instructional or residential purposes, and that gifts and grants would be the primary secondary source. Funds obtained from the Housing and Home Finance Agency under the provisions of the college housing loan program were not available for other capital purposes.

Additional data gathered by the Office of Education for its study, "Higher Education Planning and Management Data, 1958-59," indicate changes in the

proportion of funds obtained from various sources for the construction of buildings between the period 1951-55 and the academic year 1958-59. Table 1 indicates the trend toward reliance upon the college housing loan program for capital funds for the construction of residential and auxiliary facilities and a trend toward miscellaneous sources and direct tax levies for instructional, research, and general building funds. Of particular significance in table 1 is the percentage decrease, from the period 1951-55 to 1958-59, in the use of current funds for construction purposes.

#### EXPENDITURES AND SOURCES OF FUNDS FOR THE FUTURE

To meet the projected physical plant expansion needs described earlier will require greatly increased effort on the part of the American people. If only the present rate of expenditure were maintained throughout the decade, a deficiency of great proportions would develop.

As shown in table 1, however, there is encouraging evidence that certain sources of support are growing, and there is ample reason to believe that they will continue to grow. The doubling of gifts and grants for capital facilities, for example, is an evidence of increasing support from the private sector of the Nation's economy, a form of support that can be expected to grow further. An effort has been made to project the future growth of support from existing sources, in order to measure better the actual extent of the facilities gap that may confront the Nation in 1965 and in 1970.

In table 2 are shown anticipated funds to finance capital facilities expansions to 1970, estimated on the basis of financing patterns followed from 1951 to 1959. The principal sources identified are State and local appropriations, gifts, and different types of borrowing. In making this projection, it has been assumed that sources that had declined in recent years would provide as much in the succeeding years as in 1959, that those increasing by an average of 10 percent or less per year from 1951 to 1959 would continue the same rate of increase, and that those that had increased at a greater rate than 10 percent would continue to increase 10 percent per year. This may be an optimistic viewpoint since it appears that investments in capital facilities have declined during the past year.

In this projection it was assumed that the college housing loan program, which has accounted for one-fourth of total expenditures for higher education construction during the past few years, will be extended at the rate of \$250 million annually. The Congress has endorsed the principle of Federal assistance for both residential and academic facilities. Differences of opinion regarding the extent and method of Federal assistance have temporarily deferred action other than extension of the college housing loan program, but it seems likely at the time of this writing that additional Federal programs will be enacted. Direct Federal loans, direct grants for assistance in the retirement of debt, and matching grants are the three principal methods of Federal assistance that have been proposed.

In addition to general construction assistance there are several other established forms of Federal assistance in the construction of academic and/or related facilities. These include: (1) matching funds for the construction of hospitals connected with colleges and universities under the Hospital Survey and Construction Act of 1946 (Hill-Burton program); (2) disposal of surplus properties—both real and personal—to public and private institutions on a nominal cash and/or donation basis; (3) grants-in-aid to public and private institutions for science research facilities, administered through the National Science Foundation; and (4) grants-in-aid to public and nonprofit institutions for constructing and equipping facilities for research in the sciences related to health (Health Research Facilities Act of 1956).

TABLE 1.—Sources of funds used to finance capital facilities for the period 1951–55 and the year 1958–59

[Dollar amounts are in thousands]

Sources	Combined total		Instructional, research, and general				Residential and auxiliary			
	1951–55 average	1958–59	1951–55 average		1958–59		1951–55 average		1958–59	
			Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Total.....	\$395, 249	\$1, 050, 000	\$259, 778	100. 0	\$596, 950	100. 0	\$135, 471	100. 0	\$463, 030	100. 0
Governmental appropriations and direct tax levies.....	141, 661	329, 840	123, 914	47. 7	278, 801	47. 5	17, 747	13. 1	51, 039	11. 0
Bonds:										
State and local obligation.....	22, 080	76, 957	18, 964	7. 3	40, 500	6. 9	3, 116	2. 3	36, 457	7. 9
Institutional obligation.....	5, 240	13, 265	4, 156	1. 6	8, 217	1. 4	1, 084	. 8	5, 043	1. 1
Revenue, non-HHFA <sup>1</sup> .....	19, 303	67, 982	6, 494	2. 5	15, 261	2. 6	42, 309	31. 6	82, 721	11. 4
Revenue, HHFA <sup>1</sup> .....	18, 153	200, 364			326	. 1	18, 153	13. 4	200, 038	43. 2
Gifts and grants.....	94, 421	186, 533	66, 243	25. 5	146, 150	24. 9	28, 178	20. 8	40, 333	8. 7
Current.....	28, 333	38, 567	18, 444	7. 1	22, 304	3. 8	9, 899	7. 3	16, 268	3. 5
Other.....	36, 068	136, 491	21, 563	8. 3	75, 390	12. 8	14, 495	10. 7	61, 101	13. 2

<sup>1</sup> Housing and Home Finance Agency.



TABLE 2.—*Projection of sources and amounts of funds for plant expansion, 1960-70*

[In thousands of dollars]

Sources	1960	1961	1962	1963	1964	1965
Total.....	1, 054, 420	1, 189, 970	1, 225, 530	1, 296, 790	1, 374, 270	1, 458, 510
Governmental appropriations and direct tax levies.....	327, 730	356, 230	384, 730	415, 510	448, 750	484, 650
Bonds:						
State and local obligation.....	76, 190	84, 650	93, 120	102, 430	112, 670	123, 940
Institutional obligation.....	13, 160	14, 460	15, 760	17, 180	18, 730	20, 420
Revenue, non-HHFA.....	67, 740	72, 080	76, 380	80, 960	85, 820	90, 970
Revenue, HHFA.....	210, 000	250, 000	250, 000	250, 000	250, 000	250, 000
Total bonds.....	367, 090	421, 170	435, 260	450, 570	467, 220	485, 330
Gifts and grants.....	184, 670	205, 190	225, 710	248, 280	273, 110	300, 420
Current.....	38, 430	40, 880	43, 330	45, 930	48, 690	51, 610
Other.....	136, 500	136, 500	136, 500	136, 500	136, 500	136, 500

Sources	1966	1967	1968	1969	1970
Total.....	1, 550, 110	1, 649, 730	1, 758, 090	1, 875, 990	2, 004, 270
Governmental appropriations and direct tax levies.....	523, 420	565, 290	610, 510	659, 350	712, 100
Bonds:					
State and local obligation.....	136, 330	149, 960	164, 960	181, 460	199, 610
Institutional obligation.....	22, 260	24, 260	26, 440	28, 820	31, 410
Revenue, non-HHFA.....	96, 430	102, 220	108, 350	114, 850	121, 740
Revenue, HHFA.....	250, 000	250, 000	250, 000	250, 000	250, 000
Total bonds.....	505, 020	526, 440	549, 750	575, 130	620, 760
Gifts and grants.....	330, 460	363, 510	399, 860	439, 850	483, 840
Current.....	54, 710	57, 990	61, 470	65, 160	69, 070
Other.....	136, 500	136, 500	136, 500	136, 500	136, 500

Total:	
1960-65.....	\$7, 569, 490
1966-70.....	8, 838, 190
Grand total, 1960-70.....	16, 407, 680

The cost of facilities needed in the 6 years, 1960-65, based upon assumptions previously discussed, will be \$9 billion. Institutions may be expected to provide \$6.1 billion of this need. Assuming that the requirements to 1965 have been met, the cost of facilities needed in the 5-year period, 1966-70, will be \$9.8 billion. Institutions may be expected to provide \$7.6 billion of this need. Thus, deficits of \$1.5 billion by 1965 and \$2.5 billion by 1970 appear to be in prospect, as shown in chart 2 (p. 75). Without the \$250 million a year projected for the college housing programs, the gaps would be approximately doubled, reaching \$2.9 billion by 1965 and \$5.2 billion by 1970. (See chart 2.)

The Nation faces the challenge of providing its youth with the training required to meet the ever increasing responsibilities of a highly complex world. In order to meet this challenge, it will be necessary to take constructive action in all areas in which deficiencies exist, or in which gaps between needs and anticipated resources are in prospect. In this paper, careful effort has been made to estimate what will be required over a period of 10 years to overcome present and prospective deficiencies in the area of physical facilities in institutions of higher learning. The manner in which this deficit is to be overcome is a problem to be decided by the American people.



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## APPENDIX

[H. Doc. 92, 87th Cong., 1st sess.]

### AMERICAN EDUCATION

#### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES RELATIVE TO AMERICAN EDUCATION

*To the Congress of the United States:*

Our progress as a nation can be no swifter than our progress in education. Our requirements for world leadership, our hopes for economic growth, and the demands of citizenship itself in an era such as this all require the maximum development of every young American's capacity.

The human mind is our fundamental resource. A balanced Federal program must go well beyond incentives for investment in plant and equipment. It must include equally determined measures to invest in human beings—both in their basic education and training and in their more advanced preparation for professional work. Without such measures, the Federal Government will not be carrying out its responsibilities for expanding the base of our economic and military strength.

Our progress in education over the last generation has been substantial. We are educating a greater proportion of our youth to a higher degree of competency than any other country on earth. One-fourth of our total population is enrolled in our schools and colleges. This year \$26 billion will be spent on education alone.

But the needs of the next generation—the needs of the next decade and the next school year—will not be met at this level of effort. More effort will be required—on the part of students, teachers, schools, colleges, and all 50 States—and on the part of the Federal Government.

Education must remain a matter of State and local control, and higher education a matter of individual choice. But education is increasingly expensive. Too many State and local governments lack the resources to assure an adequate education for every child. Too many classrooms are overcrowded. Too many teachers are underpaid. Too many talented individuals cannot afford the benefits of higher education. Too many academic institutions cannot afford the cost of, or find room for, the growing numbers of students seeking admission in the sixties.

Our twin goals must be: A new standard of excellence in education—and the availability of such excellence to all who are willing and able to pursue it.

#### I. ASSISTANCE TO PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

A successful educational system requires the proper balance, in terms of both quality and quantity, of three elements: students, teachers, and facilities. The quality of the students depends in large measure on both the quality and the relative quantity of teachers and facilities.

Throughout the 1960's there will be no lack in the quantity of students. An average net gain of nearly 1 million pupils a year during the next 10 years will overburden a school system already strained by well over a half million pupils in curtailed or half day sessions, a school system financed largely by a property tax incapable of bearing such an increased load in most communities.

But providing the quality and quantity of teachers and facilities to meet this demand will be major problems. Even today, there are some 90,000 teachers who fall short of full certification standards. Tens of thousands of others must attempt to cope with classes of unwieldy size because there are insufficient teachers available.

We cannot obtain more and better teachers—and our children should have the best—unless steps are taken to increase teachers' salaries. At present salary levels, the classroom cannot compete in financial rewards with other professional work that requires similar academic background.

It is equally clear that we do not have enough classrooms. In order to meet current needs and accommodate increasing enrollments, if every child is to have the opportunity of a full-day education in an adequate classroom, a total of 600,000 classrooms must be constructed during the next 10 years.

These problems are common to all States. They are particularly severe in those States which lack the financial resources to provide a better education, regardless of their own efforts. Additional difficulties, too often overlooked, are encountered in areas of special educational need, where economic or social circumstances impose special burdens and opportunities on the public school. These areas of special educational need include our depressed areas of chronic unemployment and the slum neighborhoods of our larger cities, where underprivileged children are overcrowded into substandard housing. A recent survey of a very large elementary school in one of our major cities, for example, found 91 percent of the children coming to class with poor diets, 87 percent in need of dental care, 21 percent in need of visual correction, and 19 percent with speech disorders. In some depressed areas roughly one-third of the children must rely on surplus foods for their basic sustenance. Older pupils in these schools lack proper recreational and job guidance. The proportion of dropouts, delinquency, and classroom disorders in such areas is alarmingly high.

*I recommend to the Congress a 3-year program of general Federal assistance for public elementary and secondary classroom construction and teachers' salaries.*

Based essentially on the bill which passed the Senate last year (S. 8), although beginning at a more modest level of expenditures, this program would assure every State of no less than \$15 for every public school student in average daily attendance, with the total amount appropriated (\$666 million being authorized in the first year, rising to \$866 million over a 3-year period) distributed according to the equalization formula contained in the last year's Senate bill, and already familiar to the Congress by virtue of its similarity to the formulas contained in the Hill-Burton Hospital Construction and other acts. Ten percent of the funds allocated to each State in the first year, and an equal amount thereafter, is to be used to help meet the unique problems of each State's "areas of special educational need"—depressed areas, slum neighborhoods, and others.

This is a modest program with ambitious goals. The sums involved are relatively small when we think in terms of more than 36 million public school children, and the billions of dollars necessary to educate them properly. Nevertheless, a limited beginning now—consistent with our obligations in other areas of responsibility—will encourage all States to expand their facilities to meet the increasing demand and enrich the quality of education offered, and gradually assist our relatively low-income States in the elevation of their educational standards to a national level.

The bill which will follow this message has been carefully drawn to eliminate disproportionately large or small inequities, and to make the maximum use of a limited number of dollars. In accordance with the clear prohibition of the Constitution, no elementary or secondary school funds are allocated for constructing church schools or paying church school teachers' salaries; and thus nonpublic school children are rightfully not counted in determining the funds each State will receive for its public schools. Each State will be expected to maintain its own effort or contribution; and every State whose effort is below the national average will be expected to increase that proportion of its income which is devoted to public elementary and secondary education.

This investment will pay rich dividends in the years ahead—in increased economic growth, in enlightened citizens, in national excellence. For some 40 years, the Congress has wrestled with this problem and searched for a workable solution. I believe that we now have such a solution; and that this Congress in this year will make a landmark contribution to American education.

## II. CONSTRUCTION OF COLLEGE AND UNIVERSITY FACILITIES

Our colleges and universities represent our ultimate educational resource. In these institutions are produced the leaders and other trained persons whom we need to carry forward our highly developed civilization. If the colleges and universities fail to do their job, there is no substitute to fulfill their responsibility. The threat of opposing military and ideological forces in the world lends urgency to their task. But that task would exist in any case.

The burden of increased enrollments—imposed upon our elementary and secondary schools already in the fifties—will fall heavily upon our colleges and universities during the sixties. By the autumn of 1966, an estimated 1 million more students will be in attendance at institutions of higher learning than enrolled

last fall—for a total more than twice as high as the total college enrollment of 1950. Our colleges, already hard pressed to meet rising enrollments since 1950 during a period of rising costs, will be in critical straits merely to provide the necessary facilities, much less the cost of quality education.

The country as a whole is already spending nearly \$1 billion a year on academic and residential facilities for higher education—some 20 percent of the total spent for higher education. Even with increased contributions from State, local, and private sources, a gap of \$2.9 billion between aggregate needs and expenditures is anticipated by 1965, and a gap of \$5.2 billion by 1970.

The national interest requires an educational system on the college level sufficiently financed and equipped to provide every student with adequate physical facilities to meet his instructional, research, and residential needs.

I therefore recommend legislation which will—

(1) *Extend the current college housing loan program with a 5-year \$250 million a year program designed to meet the Federal Government's appropriate share of residential housing for students and faculty. As a start, additional lending authority is necessary to speed action during fiscal 1961 on approvable loan applications already at hand.*

(2) *Establish a new, though similar, long-term, low-interest rate loan program for academic facilities, authorizing \$300 million in loans each year for 5 years to assist in the construction of classrooms, laboratories, libraries, and related structures—sufficient to enable public and private higher institutions to accommodate the expanding enrollments they anticipate over the next 5 years; and also to assist in the renovation, rehabilitation, and modernization of such facilities.*

### III. ASSISTANCE TO COLLEGE AND UNIVERSITY STUDENTS

This Nation a century or so ago established as a basic objective the provision of a good elementary and secondary school education to every child, regardless of means. In 1961, patterns of occupation, citizenship, and world affairs have so changed that we must set a higher goal. We must assure ourselves that every talented young person who has the ability to pursue a program of higher education will be able to do so if he chooses, regardless of his financial means.

Today private and public scholarship and loan programs established by numerous States, private sources, and the student loan program under the National Defense Education Act are making substantial contributions to the financial needs of many who attend our colleges. But they still fall short of doing the job that must be done. An estimated one-third of our brightest high school graduates are unable to go on to college, principally for financial reasons.

While I shall subsequently ask the Congress to amend and expand the student loan and other provisions of the National Defense Education Act, it is clear that even with this program many talented but needy students are unable to assume further indebtedness in order to continue their education.

*I therefore recommend the establishment of a 5-year program with an initial authorization of \$26,250,000 of State-administered scholarships for talented and needy young people which will supplement but not supplant those programs of financial assistance to students which are now in operation.*

Funds would be allocated to the States during the first year for a total of 25,000 scholarships averaging \$700 each, 37,500 scholarships the second year, and 50,000 for each succeeding year thereafter. These scholarships, which would range according to need up to a maximum stipend of \$1,000, would be open to all young persons, without regard to sex, race, creed, or color, solely on the basis of their ability—as determined on a competitive basis—and their financial need. They would be permitted to attend the college of their choice, and free to select their own program of study. Inasmuch as tuition and fees do not normally cover the institution's actual expenses in educating the student, additional allowances to the college or university attended should accompany each scholarship to enable these institutions to accept the additional students without charging an undue increase in fees or suffering an undue financial loss.

### IV. VOCATIONAL EDUCATION

The National Vocational Education Acts, first enacted by the Congress in 1917 and subsequently amended, have provided a program of training for industry, agriculture, and other occupational areas. The basic purpose of our vocational education effort is sound and sufficiently broad to provide a basis for meeting future needs. However, the technological changes which have occurred in al

occupations call for a review and re-evaluation of these acts, with a view toward their modernization.

To that end, I am requesting the Secretary of Health, Education, and Welfare to convene an advisory body drawn from the educational profession, labor-industry, and agriculture, as well as the lay public, together with representation from the Departments of Agriculture and Labor, to be charged with the responsibility of reviewing and evaluating the current National Vocational Education Acts, and making recommendations for improving and redirecting the program.

#### CONCLUSION

These stimulatory measures represent an essential though modest contribution which the Federal Government must make to American education at every level. One-sided aid is not enough. We must give attention to both teachers' salaries and classrooms, both college academic facilities and dormitories, both scholarships and loans, both vocational and general education.

We do not undertake to meet our growing educational problems merely to compare our achievements with those of our adversaries. These measures are justified on their own merits—in times of peace as well as peril—to educate better citizens as well as better scientists and soldiers. The Federal Government's responsibility in this area has been established since the earliest days of the Republic—it is time now to act decisively to fulfill that responsibility for the sixties.

JOHN F. KENNEDY.

THE WHITE HOUSE, February 20, 1961.

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*Following is the complete text of the Education Plank of the Democratic Platform adopted at the Democratic National Convention in Los Angeles, July 12, 1960:*

#### "THE RIGHT TO A GOOD EDUCATION"

America's young people are our greatest resources for the future. Each of them deserves the education which will best develop his potentialities.

We shall act at once to help in building the classrooms and employing the teachers that are essential if the right to a good education is to have genuine meaning for all the youth of America in the decade ahead.

As a national investment in our future we propose a program of loans and scholarship grants to assure that qualified young Americans will have full opportunity for higher education, at the institutions of their choice, regardless of the income of their parents. The new Democratic administration will end eight years of official neglect of our educational system. America's education faces a financial crisis. The tremendous increase in the number of children of school and college age has far outrun the available supply of educational facilities and qualified teachers. The classroom shortage alone is interfering with the education of 10 million students.

America's teachers, parents and school administrators have striven courageously to keep up with the increased challenge of education.

So have states and local communities. Education absorbs two-fifths of all their revenue. With limited resources, private educational institutions have shouldered their share of the burden.

Only the federal government is not doing its part. For eight years, measures for the relief of the educational crisis have been held up by the cynical maneuvers of the Republican Party in Congress and the White House.

We believe that America can meet its educational obligations only with generous federal financial support, within the traditional framework of local control. The assistance will take the form of federal grants to states for educational purposes they deem most pressing, including classroom construction and teachers' salaries. It will include aid for the construction of academic facilities as well as dormitories at colleges and universities.

We pledge further federal support for all phases of vocational education for youth and adults; for libraries and adult education; for realizing the potential of educational television; and for exchange of students and teachers with other nations.

As part of a broader concern for young people we recommend establishment of a Youth Conservation Corps, to give underprivileged young people a rewarding experience in a healthful environment.

*Following is the complete text of the Education Plank of the Republican Platform adopted at the Republican National Convention in Chicago, July 27, 1960:*

EDUCATION

The rapid pace of international developments serves to re-emphasize dramatically the challenge which generations of Americans will face in the years ahead. We are reminded daily of the crucial importance of strengthening our system of education to prepare our youth for understanding and shaping the powerful emerging forces of the modern world and to permit the fullest possible development of individual capacities and potentialities.

We express our gratefulness and we praise the countless thousands of teachers who have devoted themselves in an inspired way toward the development of our greatest heritage—our own children—the youth of the country.

Education is not a luxury, nor a gift to be bestowed upon ourselves and our children. Education is an investment; our schools cannot become second best. Each person possesses the right to education—it is his birthright in a free Republic.

Primary responsibility for education must remain with the local community and state. The federal government should assist selectively in strengthening education without interfering with full local control of schools. One objective of such federal assistance should be to help equalize educational opportunities.

Under the Eisenhower-Nixon Administration, the federal government will spend more than a billion dollars in 1960 to strengthen American education.

We commend the objective of the Republican Administration in sponsoring the National Defense Education Act to stimulate improvement of study and teaching in selected fields at the local level.

Toward the goal of fullest possible educational opportunity for every American, we pledge these actions:

Federal support to the primary and secondary schools by a program of federal aid for school construction—pacing it to the real needs of individual school districts in states and territories, and requiring state approval and participation.

Stimulation of actions designed to update and strengthen vocational education for both youth and adults.

Support of efforts to make adequate library facilities available to all our citizens.

Continued support of programs to strengthen basic research in education; to discover the best methods for helping handicapped, retarded, and gifted children to realize their highest potential.

The federal government can also play a part in stimulating higher education. Constructive action would include:

The federal program to assist in construction of college housing.

Extension of the federal student loan program and graduate fellowship program.

Consideration of means through tax laws to help offset tuition costs.

Continued support of the East-West Center for cultural and technical interchange in Hawaii for the purpose of strengthening our relationship with the peoples of the Pacific world.

Federal matching grants to help states finance the cost of state surveys and inventories of the status and needs of their school systems.

Provision should be made for continuous attention to education at all levels by the creation of a permanent, top-level commission to advise the President and the Secretary of Health, Education and Welfare, constantly striving to focus the interest of each citizen on the quality of our education at every level, from primary through post-graduate, and for every age group from children to adults.

We are aware of the fact that there is a temporary shortage of classrooms for our elementary and secondary schools in a limited number of states. But this shortage, due to the vigilant action of state legislatures and local school boards, is not increasing, but is decreasing.

We shall use our full efforts in all the states of the Union to have these legislatures and school boards augment their present efforts to the end that this temporary shortage may be eliminated and that every child in this country shall have the opportunity to obtain a good education. The respective states as a permanent program can shoulder this long-standing and cherished responsibility easier than can the federal government with its heavy indebtedness.

We believe moreover that any large plan of federal aid to education, such as direct contributions to or grants for teachers' salaries can only lead ultimately to federal domination and control of our schools to which we are unalterably opposed.

In the words of President Eisenhower, "Education best fulfills its high purpose when responsibility for education is kept close to the people it serves—when it is rooted in the homes, nurtured in the community and sustained by a rich variety of public, private and individual resources. The bond linking home and school and community—the responsiveness of each to the needs of the others—is a precious asset of American education."

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## REPORT ON EDUCATION

On January 6, 1961, a Task Force Committee on Education submitted a report to President-elect John F. Kennedy. The report recommended for consideration by the President three major legislative proposals and four administrative actions. There follows a brief summary of these recommendations:

### LEGISLATIVE PROPOSALS

#### I. FEDERAL SUPPORT FOR THE PUBLIC SCHOOL SYSTEM

The national interest demands a first-rate system of schools and that every child have full opportunity to benefit from that system. Present standards and facilities must be improved. Millions of children, particularly in certain rural areas and in the great cities, are deprived of an opportunity to develop talents that are needed both for society and for their own lives. The Task Force Committee concludes that first priority should be given to a vigorous program to lift the schools to a new level of excellence.

State and local governments alone cannot provide the funds needed. Federal support is required. The Task Force Committee recommends that action be taken in three closely related areas: a general program of support for all public schools to reach the new level; a special program for States in economic distress in providing for schools; and a special program for city schools.

(1) The Task Force Committee recommends that the President support legislation to provide \$30 per annum per pupil, based on average daily attendance in public schools. The funds should be sent to the States for transmission to local boards of education on the basis of average daily attendance in their public schools. The boards of education should be authorized to use the funds for construction, salaries, or other purposes related to the improvement of education. The program should require State and local governments to maintain or increase their support of education. The annual cost is estimated at \$1.2 billion.

(2) The Task Force Committee recommends that the President support legislation designed to provide \$20 per child for States with personal income per student in average daily attendance in public schools that is below 70 percent of the national average. The legislation should include provision to assure maintenance of State and local effort, and funds should be available for construction, salaries, or other purposes related to the improvement of education in the public schools, as the State may determine. It is estimated that roughly one-quarter of the States might benefit from this legislation (mostly in the South), that approximately 7 million children would be helped toward full educational opportunity, and that the annual cost would be \$140 million.

(3) The Task Force Committee recommends that the President support legislation designed to provide an amount equivalent to \$20 per child in average daily attendance in the public schools of the great cities (over 300,000 population) which are facing unique and grave educational problems. The legislation should authorize the U.S. Commissioner of Education to make grants to such cities based upon plans proposed by their boards of education or by boards together with other boards of education within their area, for support of research and experimental programs in the special problems of these urban schools, for the planning and construction of facilities, for the acquisition of land sites, for the improvement of programs of community service by the schools, and for the strengthening of guidance and job placement programs for pupils over 16 years of age. Eligibility for such grants should be based on a formula which includes density of population, nature of housing, and percent of students finishing high school. Provisions to

assure maintenance of local effort should be included, as well as coordination with Federal and local housing agencies. It is estimated that the education of approximately 6 million children can be improved at a cost of \$120 million annually.

## II. FEDERAL SUPPORT PROGRAM FOR HOUSING AND ACADEMIC FACILITIES FOR THE COLLEGES AND UNIVERSITIES

### (1) *Grant and loan program for academic facilities*

Although college and university enrollments are now at an all-time high, the period of greatest increase in enrollments is immediately ahead. In order to give urgently needed aid to colleges and universities (including junior colleges) to accommodate a million new students in the next 5 years, Congress should be urged to enact legislation providing for a combined program of loans and grants of at least \$500 million for the first year, of which \$350 million (70 percent) should be for matching grants and \$150 million (30 percent) should be for loans on the same basis as the college housing loan program. In succeeding years this program will require increasing sums annually to meet the evolving needs. Grants should be available only for construction which will accommodate increased numbers of students.

### (2) *College housing program*

This program has been outstandingly successful in its 10 years of operation. It has suffered in uncertainty and needs to be put on a basis which will permit colleges and universities to plan ahead. The Task Force Committee therefore recommends that (a) the President ask Congress for an immediate increase in loan authorization of \$150 million to take care of anticipated additional needs for the fiscal year ending June 30, 1961, and (b) the President ask Congress to increase the loan authorization by \$1.4 billion over a 4-year period, with \$350 million of the new authorization available as of July 1, 1961, and \$350 million on July 1, 1962, July 1, 1963, and July 1, 1964. (Program administered in Housing and Home Finance Agency.)

## III. STRENGTHENING OF THE NATIONAL DEFENSE EDUCATION ACT

The need for action by the Federal Government to upgrade American education was clearly recognized in the passage by the Congress of the National Defense Education Act. In general the programs under the various titles have been effective and, with some modifications, the authority for them should be extended for 5 years.

Because of the critical shortage of teachers at all levels, highest priority should be given to enlarging the national fellowship program in order to attract able people into elementary and secondary, as well as college, teaching. New sources of supply should be tapped, such as college graduates, particularly women with lessened family responsibilities who did not specifically train to be teachers, retired military and other professional personnel. In addition, fellowships should be available to teachers in service so that they might increase their effectiveness. The loan funds for college students should be increased and supplemented with a guaranteed loan program from private funds. The forgiveness feature, now applicable only to public school teachers, should be extended to all teachers. Furthermore, the student disclaimer affidavit which so many institutions find objectionable should be eliminated.

With the extensive experimentation which has been done throughout the country in the more effective use of newer means of communications in the schools, another phase should now be entered and assistance given through Federal support to the States and regions in constructing educational television networks.

After 3 years of experience in granting aid to the States to develop better means of identifying students with outstanding aptitudes and encouraging them to complete their high school education, the time has come to review carefully the work that has been done and to look to the planning of programs that provide more thorough preparation for vocational and academic counselors.

Through such actions provision for better education through the schools and colleges can be accelerated, with the result of a gain in national strength.

## RECOMMENDATIONS FOR PRESIDENTIAL ADMINISTRATIVE ACTION

The Task Force Committee recommends immediate action by the President with respect to four important matters listed below in order of priority. The Committee believes the taking of these actions will demonstrate in a positive way that the President not only gives top priority to the development of the Nation's educational system, but also stands ready to give his full backing to the establishment of helpful administrative policies and regulations in all Federal agencies charged with the spending of Federal funds flowing to the colleges and universities in support of education, research, and public service.

(1) The Task Force Committee recommends that the President take immediate action to establish a President's Advisory Committee on Education.

Such a move will demonstrate that the President believes that education is one of the truly fundamental and important requirements for the preservation and development of the American society and will place the field of education on a level with that now enjoyed by Presidential advisory groups in both science and economics.

(2) The Task Force Committee recommends that the President specifically request all Federal agencies, including the Federal Council for Science and Technology, the National Science Foundation, the Atomic Energy Commission, the Department of Defense, and the Department of Health, Education, and Welfare, to take all possible steps within existing statutory and legislative authorizations to support and implement the recommendations of the President's Science Advisory Committee issued under date of November 15, 1960, in a report entitled "Scientific Progress, the Universities, and the Federal Government."

This excellent report recommends objectives, policies, and actions which will strengthen American science and technology the benefits from which will serve to increase not only national defense, but also national industrial and economic growth.

The active implementation of these recommendations will be enthusiastically received by all institutions of higher learning in the country now concerned and faced with the problems of financing, staffing, and equipping an expanded capacity for graduate training and basic research.

(3) The Task Force Committee recommends that the President take action—presumably through the Secretary of the Treasury—to request the Internal Revenue Service to rescind Ruling 60-370, dated December 2, 1960.

The rescission of this ruling (which ruling has been vigorously opposed by all educational institutions, both public and private) will demonstrate that the new administration is anxious to do all in its power to stimulate private giving in support of our educational institutions.

(4) The Task Force Committee recommends that the President request the Director of the Bureau of the Budget to proceed with immediate revision of Bureau of the Budget Circular A-21, issued September 10, 1958, the intent of which is "to provide to educational institutions recognition of their full allocated costs of research under generally accepted cost accounting principles."

The revision of this directive will settle one of the most annoying problems in the field of university-Government relationships that has plagued our institutions of higher education for the past 10 years.

Specific recommendations on the changes desired were submitted to the Bureau of the Budget in September 1960 by a special committee on sponsored research of the American Council on Education, and to the Department of Defense and the three services.



(Source: U.S. President's Commission on National Goals. *Goals for Americans; programs for action in the sixties.* New York, Prentice-Hall, 1960. pp. 6-7. Reproduced with the permission of the American Assembly, Columbia University.)

The development of the individual and the Nation demand that education at every level and in every discipline be strengthened and its effectiveness enhanced. New teaching techniques must continue to be developed. The increase in population and the growing complexity of the world add urgency.

Greater resources—private, corporate, municipal, State, and Federal—must be mobilized. A higher proportion of the gross national product must be devoted to educational purposes. This is at once an investment in the individual, in the democratic process, in the growth of the economy, and in the stature of the United States.

Education is primarily a responsibility of the States. They have delegated responsibility for public elementary and secondary education to local authorities, and have chartered colleges and universities. This is the firmly established pattern; it can be made to function satisfactorily to meet the needs of our vast and diverse Nation.

In a few States four-fifths of the youth complete 4 years of high school and one-half enroll in an institution of higher education. This is a majestic accomplishment. However, in many States less than half complete 4 years of high school and less than 20 percent enter college. Clearly the goal is to bring every State nearer the present standard of the best. Within the next decade at least two-thirds of the youth in every State should complete 12 years of schooling and at least one-third enter college.

There must be more and better teachers, enlarged facilities, and changes in curricula and methods. The enrollment in professional schools should be increased. Above all, schooling should fit the varying capacities of individuals; every student should be stimulated to work to his utmost; authentic concern for excellence is imperative.

Among the important things that should be done along lines urged in Dr. Gardner's chapter are the following:

Small and inefficient school districts should be consolidated, reducing the total number from 40,000 to about 10,000. The local school district remains the key to good public education. Local boards should be greatly strengthened.

Every State should have a high-level board of education.

Teachers' salaries at all levels must be improved.

Two-year colleges should be within commuting distance of most high school graduates.

Graduate school capacity must be approximately doubled.

Adult education should play a vital role, stressing a new emphasis on education throughout life.

*Financial support.*—Annual public and private expenditure for education by 1970 must be approximately \$40 billion—double the 1960 figure. It will then be 5 percent or more of the gross national product, as against less than 4 percent today.

Most of these funds must continue to come from State and local governments, tuition payments, and gifts. State and local appropriations have more than doubled since 1950. The Federal role must now be expanded. Total government expenses at all levels must amount to \$33 billion for education by 1970.

Federal aid to higher education must include increased scholarship and loan funds, support of research as an essential part of the educational process, and direct assistance for buildings and equipment.

The Federal Government should supplement State funds where per capita income is too low to maintain an adequate school program. It should also offer matching grants, for educational purposes to be determined by the States. Since the Northwest Ordinance of 1787, the Federal Government has participated in the support of education without destroying local initiative and responsibility. In the future those values should still be safeguarded.